

The National Underwriter

LIFE INSURANCE EDITION

FRIDAY, JANUARY 1, 1932

JAN 4 1932

Just a Little More Advice

We are constantly exhorted to "think of the future," but—while that is very good advice—a better admonition is to "*prepare* for the future."

The year 1931 has taught a great many persons a lot of *new ideas*, and, among others, that some of the *old* ones were "not so good."

One tremendously important thing that 1931 demonstrated is that the guaranteed values in Life Insurance policies are not affected by economic eccentricities.

In the hands of beneficiaries, these contracts are a guaranty of perfect protection. In the hands of the assured, they have a property value worth at all times, and in all circumstances, just exactly one hundred cents on every dollar of the guaranteed values, and they remain *secure, non-fluctuating, and definite*, unaffected and unimpaired by business conditions.

Life Insurance policies are "the people's" one certain, sure, and dependable asset.

To be fully prepared for the future, *never allow a Life Insurance policy to lapse. * * * Lapsation may not only defeat an excellent plan, but it is dangerous, expensive, and destructive.*

Because of provisions for extended insurance, automatic premium loans, policy loans, waiver of premiums, and the possibility of other assistance, there seldom is necessity for lapsation, regardless of business or other exigencies. If lapsation appears imminent, consult the agent who solicited your business. He is expert at devising saving means. Nine times out of ten, probably, he will be able to suggest a way to avoid lapsation.

It costs nothing to ask advice of an agent. Good agents will give it, freely and cheerfully. It is a part of their expected service, and oftentimes it is of great and saving value.

THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY

Milwaukee, Wisconsin

How Jim Fieldman Healed a Sick Estate



And Made Another Friend For His Company and Its Retirement Income Contract

Doctor Hampton was so successful a physician that he was too busy with his practice to properly care for his investments. Result, a pretty serious depreciation in what had been considered the most secure portion of his estate. The prospect of facing another period of accumulation and investment wasn't a very pleasant one.

But Jim Fieldman, the Pan-American Life man, is something of a doctor himself. For he knew something about Doctor Hampton's financial situation, just as he knows about his other good prospective clients, and it didn't take long to demonstrate how sick estates can be healed just like sick persons, when the patient is treated according to the "doctor's" advice. Now Doctor Hampton has his estate back at full value, with an assured life income at age 65.

The "medicine" was a Pan-American Life Income Bond maturing at age 65—enough to fill the margin of shrinkage in the Doctor's investments and provide a definite income for retirement. Something the good Doctor had really needed all the time but for which he wouldn't previously allow himself diagnosed.

This Life Income Bond of the Pan-American's—maturing at either age 60 or 65—is good medicine too, for all the "Jims" in the Company's agency organization. Prescribing it in cases like just related is why their commissions are increasing and why more good men are joining the agencies of the Pan-American all the time.

The Pan-American's New Disability Income Clause

The new Disability Rehabilitation Clause offered by the Pan-American forms another reason why this company's representatives expect good business in 1932.

The Pan-American believes there is a place for disability in life insurance. Its new clause provides for payment of the regular income of \$10.00 per thousand per month and its major restriction is to limit liability to 75% of the principal policy—still providing sufficient income to tide the disabled policyholder over the period of rehabilitation.

A letter will bring full information
about Pan-American Agency openings

PAN-AMERICAN LIFE INSURANCE CO.

CRAWFORD H. ELLIS
President



NEW ORLEANS, U.S.A.

TED M. SIMMONS
Manager United States Agencies

E. G. SIMMONS
Vice-Pres. and General Manager

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Sixth Year No. 1

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JANUARY 1, 1932

\$3.00 Per Year, 15 Cents a Copy

Disability Retreat Continues Briskly

First Company in This Field
Sharply Restricts Both
Clauses

ACTION IS DIVERSIFIED

Interesting Differences in Clauses and
Underwriting Policies Noted—
Waiver Mainly Retained

The Fidelity Mutual Life of Philadelphia, which in 1896 issued the first life insurance policy in America containing a total and permanent disability provision, has announced changes in its disability underwriting rules effective Jan. 1.

Income disability is limited to males between 20 and 50. It will be restricted to those with an established earned income and a preferred occupation which requires their full time and continuous service. It will not be issued to farmers, farm laborers, students, industrial workers, applicants without earned income, those whose income is seasonal or uncertain, and merchants, etc., whose business is located at their residences.

Minimum Set at \$25

Income disability will not be issued to pay benefits less than \$25 a month. It will not be issued in non-medical cases. Maximum disability income will be \$100 per month for dentists, doctors, preachers and "possibly some others." Income disability will not be issued to women.

Waiver of premium will be issued to males between 16 and 55 and to women between 20 and 50. Disability will not be issued in connection with term. These changes are applicable to adding disability to existing insurance.

Company's Statement

"It cannot be emphasized too strongly," the Fidelity Mutual states, "that agents must revise their attitude toward disability and exercise greater discrimination in presenting it to prospects. Clearly, it is the part of good salesmanship to avoid presenting disability unless it is clear that the facts come within the underwriting requirements. If the disability coverage has been over-emphasized, and for underwriting reasons the policy is issued without these benefits, the likelihood of delivery is greatly reduced. These disappointments will be few in number with agents who give disability its proper place and exercise intelligent discrimination."

The Bankers Life of Des Moines will continue to offer disability benefits on the present basis until Feb. 1, when rates will be increased and provisions changed to eliminate factors which have produced unfavorable results.

After Feb. 1 the company will issue three clauses: 1. Waiver of premium

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Insurance Backbone of 1931

Tyrrell in Annual Review Finds Sales Accomplishments
in the Business Notable—Sees Disability Agitation
as Major Technical Event of Year

By HENRY FRANKLIN TYRRELL
Legislative Counsel Northwestern Mutual Life

The year 1931 was one of experiences, as varied as the gamut of human possibilities. In general, it was original; in many particulars, appalling. A consensus about it is impossible.

It made men think, however, and when America thinks, all's bound to be right, in time.

The business depression continued, but just what the year will have done to life insurance, time alone will reveal.

New life insurance to the grand total of \$16,400,000,000 was placed in the United States in 1931, and while that is 13.8 percent less than the volume of 1930 and 14.9 percent below the production of 1929, it is, in reality and in comparison with the sales production of other industries, a gratifying and notable accomplishment.

109 Billion in Force;
68 Million Covered

There is now in force in the United States, life insurance to the total of 109 billion dollars, covering some 68 million policyholders, or over 54 percent of our population.

Interested and inquisitive critics, accountants and students will carry out these figures, by way of deduction and comparison, to a much more attractive and instructive extent, but for present purposes, the plain statement of fact must suffice.

Another angle to the financial side of life insurance, which concerns both management and public, relates to contractual disbursements. The public is more interested in what the institution "pays out" than in what it "takes in."

Beneficiaries Received
950 Million in 1931

In 1931, the life insurance companies of the United States paid to beneficiaries of deceased policyholders, the total sum of \$950,000,000, most of which went to the relief of homes and families in a time of unusual stress. This money was mainly the only substitute for "the still hand and brain of the provider," and its payment was not only of inestimable value to such homes and families, but it was of the utmost importance to the state. It has been publicly declared that "but for these life insurance payments, the burdens upon public and private charity would have been tremendously increased."

To living policyholders in 1931, the institution paid, by way of endowments, annuities, and dividends, the sum of \$800,000,000, and for surrendered policies, approximately \$850,000,000.

This makes a grand total disbursement to citizen policyholders and beneficiaries of \$2,600,000,000, which sum exceeds like payments in 1930 by over \$353,000,000, and those of 1929 by more than \$638,000,000.

It also represents an amount twenty-

eight times greater than that which President Hoover's committee on unemployment estimates will be required to alleviate unemployment hardships this winter. This sum, also, will aid materially in sustaining national purchasing power and in liquidating financial embarrassments.

There are other financial integrants of the business concerned with the peculiarities of 1931, and prominent among them is the policy loan feature. Advances to policyholders, based on surrender values, are contractual and legal rights. That policyholders have taken advantage of such rights in most unusual amounts during 1931 inspires serious thought and reflection.

The presumption is that that these advances are as logical as they are legal. More certain investment can not be obtained. The security is better than one hundred cents on the dollar, and ultimate repayment is assured.

Lapsation Not Logical Sequence of Borrowing

Why do managements undertake to discourage applications for such advances? Because they promote lapsation. But, should this be a necessary result? Not at all. Receivers of such advances learned that the money turned over to them on policy loans was the one and only quickly available asset they had which was worth exactly what they expected it to be worth, and to that circumstance managements may point as evidence of the wisdom of keeping policies always available for like advances in recurring times of stress.

For what purposes did policyholders solicit these advances? What percentage went for the payment of life insurance premiums? How much went to the liquidation of indebtedness? How much for living expenses? It would be interesting to know, and one may well speculate about it, but there is no answer.

The lapse rate in 1931 increased, but there is a glimmer of light in the situation, for there was a definite improvement in the final quarter of the year.

Surrenders followed the trend of the times. The amount disbursed for such purpose has been stated.

Lapses and Surrenders Field for New Business

Lapses and surrenders, after all, are fertile fields for new business and for reinstatements. To the credit of agents and managements, it may be noted that intensive study and effort were applied to this end. Field men worked faithfully in servicing policyholders. In return, they attained to this distinction: they had more continuous employment in 1931 than the sales representatives

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Economists Study Common Stocks

Hear Recommendations of Chicago
U. Man Investment Laws
Be Broadened

CONSIDER POLICY LOANS

Two Major Issues Before Life Companies Taken Up by American
Economic Association

WASHINGTON, D. C., Dec. 31.—Amendment of investment and valuation laws to permit life companies to invest at least 15 percent of their assets in common stocks today was recommended before the American Economic Association by Samuel H. Nerlove of the University of Chicago.

The need of the life companies for a wider field of investment might well be found in common stocks, he declared, pointing out that recent changes in the portfolios of the companies indicated the need for such a wider field if they are to continue to render their services at as low a price as during the last decade.

Finds Bond Field Narrowed

The bond field is narrowing and to offset the decline in their assets, he asserted, companies have increased their holdings in urban real estate mortgages and other bonds, particularly those of public utilities. Although mortgages are excellent investments, he held, they are not likely to be as satisfactory during the coming decade because of the prospects of the building industry.

If life companies begin to accumulate large quantities of high grade public utilities bonds they are not likely to obtain a large enough yield to warrant their continuing present rates for services, Mr. Nerlove continued.

Arguments for Stocks

On the other hand, he held, "in the last two decades, the investment position of common stocks has improved considerably. The establishment of large corporations with vast amounts of capital furnished primarily by stockholders has given common stocks a much superior investment position. In addition, the recent drastic stock market price declines have put equity securities in a stronger position for long term investment purposes."

The significant danger involved in buying common stocks for investment, as compared to other securities arises out of widely fluctuating market values, he pointed out. These fluctuations are important only to those forced to sell securities at some particular time, a situation in which the average insurance company has seldom if ever found itself.

Recent discussions of the theory of stock investments by life companies have given an exaggerated impression of the importance of this item in the

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Attorney General Released Report on Security Life

VOORHIES MAKES STATEMENT

Declares That Commissioner Livingston of Michigan Had No Part in the Publicity

LANSING, MICH., Dec. 31.—Information relative to the contents of the so-called "Corcoran report" on the Security Life, filed in federal court at Detroit in connection with the injunction proceedings pending there against Commissioner C. D. Livingston, was released to the press by the attorney general's department and not by Commissioner Livingston, P. W. Voorhies, attorney general, declared today. M. J. Dorsey, president of the Security Life, in a statement following publication of extracts from the report, accused Commissioner Livingston of revealing this material in an effort to create prejudice against the company.

Comment by Attorney General

Mr. Voorhies said he was not interested in replying to the Dorsey statement as the original articles did not state that Commissioner Livingston had revealed the nature of the material filed in court and that Mr. Dorsey had therefore no right to that assumption. He said the attorney general's department is only interested in "fighting a lawsuit."

The convention examination report, hitherto suppressed after it was overruled by the Virginia corporation commission, was attached as an exhibit to a motion asking permission to file an amended brief in reply to the Security Life's petition for a permanent injunction to prevent Commissioner Livingston from carrying out his revocation of the company's license in this state.

Oklahoma Escheat Question Is Interesting to Insurers

OKLAHOMA CITY, Dec. 31.—One of Governor Murray's four initiated measures which went down to defeat in a recent election, known as the escheat bill, carried a vote of 202,353 for and 240,028 against.

Under the present constitutional provision, no corporation shall acquire land in the state more than necessary in the operation of the business for which the corporation may be licensed. This does not preclude any corporation from taking mortgages on real estate to secure loans or debts, nor upon foreclosure of such mortgages in the collection of debts. This, however, is conditioned upon the proposition that no corporation shall hold such real estate for longer than seven years.

The defeated amendment provided for extending the permissible period for holding such real estate to ten years, and specifically stipulated that at the end of that time any such holdings of corporations should escheat to the state. The present provision does not contain the "escheat" language, simply that such real estate cannot be held by a corporation longer than seven years. The question that has come up was what could the state do with a corporation when it had held such property seven years. The present provision is not self-executing; the proposed amendment would be.

Insurance companies are interested in the escheat situation here, committees of the American Life Convention having held several sessions on the question.

Hoyt's Son Marries

John G. Hoyt, Jr., son of John G. Hoyt, president of the Pyramid Life of Kansas City, and Miss Mary Louis Hersched of Cincinnati were married in Cincinnati Dec. 30.

Farm Problem Now Being Solved in Orderly Style

There are some 14 life companies which are considerably interested in the farm mortgage field and many others have farm investments. All these companies are facing about the same situation. An investment man in one of the larger companies recently cautioned against taking what he called the banker's viewpoint of farm mortgages; that is, that when a farm mortgage is foreclosed it is necessarily a loss. The advantage of the life insurance company, he pointed out, is that the company does not have to have the cash immediately and that in the majority of cases a foreclosure is not necessarily a loss if the company can hold the property long enough to make the proper turnover.

"The farm loan," he said, "has for its security an individual's home and factory combined—his residence and his means of earning a living. A farm should not be considered simply as a piece of land with some buildings and fences on it. There is a human element involved. If the human element fails a change of management will often change a failing farm into a successful one. If trouble develops, a farm is a tangible thing that can be handled patiently and reasonably through a change of management, a process of rehabilitation and eventual restoration of satisfactory earning power and reestablishment of the investment on a sound basis."

Westbrook's Analysis

Vice-President Westbrook of the Aetna Life in an address before the American Life Convention giving the experience of the 14 larger companies in the farm loan field showed that 12 percent of their mortgages have reached the real estate stage; 5 per cent are in foreclosure and the remaining 83 percent in good standing.

The orgy of farm speculation occurred in 1917-1922 and it is estimated that about three-fourths of all the farms that have been foreclosed upon were acquired from loans made during those years. One of the most unfortunate changes that has taken place during the past ten years is the almost complete collapse of the country banks and the normal production credit structure that the farmer has depended upon. The past ten years of liquidation and change in agriculture have built a structure which is sounder and subject to higher development than the industry has ever reached. Cost of production of practically all crops has been materially reduced. One of the strong factors of the present is the fact that the peak in land values was reached over ten years ago and the readjustment of values is now completed. The war inflation is all out of land value.

Method of Handling

The method of handling the difficult case by the average company is of interest. The first sign of trouble occurs when the borrower fails to pay his interest or amortized instalment properly. The company starts immediately to analyze the case. If the borrower is able to pay, the company representative proceeds to insist upon collection. If the man is temporarily embarrassed and will be able to pay after the harvest of a certain crop he may be granted an extension until the crop is harvested.

The first effort is always to try to help the borrower to pay his note that he can regain his farm. If he is hopelessly involved, or is such a poor manager that there is no hope of his working out of his difficulties, there is nothing to do but foreclose. As soon as the company acquires title the selling effort is started. The farm is usually in a rather run down condition and the first thing to do is to make a careful survey of necessary repairs which are made at once so that the land can be sold or occupied by an efficient farmer. If there is no immediate sale, a tenant is secured

and the farm is rented on the prevailing terms in the particular area, with a careful program, however, which will prevent any further deterioration of the land or buildings and which will include a certain amount of soil building crops. The best prospects for a sale are among the neighboring farmers. After these, the next best prospect is the tenant himself, who is often secured because he is considered as a possible sale prospect.

Measuring the Values

The best managed companies are marking down their farm values on a very conservative basis. The book value is usually the loan balance at the time of acquisition, plus any actual cost unless the reappraisal of the farm on present values shows a lower value, in which case the lower value is made the book value.

In order to be on the safe side, whenever a farm has not been rented for two years, it is assumed to be "marginal" and is marked off from the assets entirely. As another evidence of conservatism, some of the companies do not capitalize any of the repairs, although some of them are in the nature of permanent improvements. Of its farm investments, one company shows 81 percent in loans; 11 percent in real estate owned; and 8 percent in farms sold under contract. In this company 4 percent of the total farm investment is now under foreclosure. The experience indicates that about 70 percent of these foreclosures eventually fall into real estate and the balances are either reinstated or paid. This company finds that it now has a larger percentage of its land rented than ever before and that good tenants in the farm sections are more plentiful than ever. The real estate owned practically carries itself, but does not show any earnings. The weakest investments and the poorest farms probably were the first ones to have to go through the foreclosure procedure, so that the farms now being acquired are of a much better character and have very much better chance for profitable recovery. A majority of farms being acquired now are still the result of loans made during the critical period of 1917-1922.

Chief Trouble Centers

The chief trouble centers in the northwest, in such states as Idaho, Montana, North Dakota, South Dakota and Minnesota. Five years ago the condition was bad in Colorado but this has now been virtually remedied. Northern Missouri is another bad spot and southeast Missouri is something of a problem. The Willamette valley of Oregon is somewhat similar to the Colorado situation in that there was quite a little trouble a few years ago, but very little now. The Mississippi delta is suffering at the present time from low cotton prices. The collapse of the urban prosperity and the fact that the liquidation process is nearing its end, has made the farmer realize the strength of his own economic situation and his morale is decidedly improved.

The 14 life companies have nearly \$1,400,000,000 invested in farm loans. These companies, with the joint stock land banks, federal land banks, trust companies and other owners of foreclosed lands are now working very well together with a view to stabilizing rentals and land values. Associations are being formed modeled after the one that was established in Georgia about two years ago, which followed an almost complete collapse of farm land values. Standard rental practices were adopted and the result is that the life companies sold more farms in Georgia during the past year than in any other state. The practice of dumping farm land at ridiculous values on the market has been virtually stopped. Strength and back bone are being put into the whole situation through this cooperation.

New York Life Victor in \$5,000,000 Income Tax Case

BOARD OF APPEALS DECIDES

Issue Was Over Rates of Exchange Applicable to Fluctuation in German, Austrian Reserves

NEW YORK, Dec. 31.—What is believed to be the second largest income tax case ever decided by the U. S. board of tax appeals has been won by the New York Life. This relieves the company of paying \$3,469,122, which the commissioner of internal revenue asserted was a deficiency in tax for 1920, and which, with interest from that time until now, would amount to about \$5,000,000.

The question arose through the change in the rate of exchange as applied to the increase and decrease in the company's German and Austrian policy reserves. The New York Life deducted something over \$35,000,000 as net addition to reserve funds required by law to be made within the taxable year 1920 and allowable as a deduction under section 234 of the revenue act of 1918. The commissioner, however, allowed only about \$700,000, thereby increasing the company's net taxable income by about \$35,000,000.

Question at Issue

The question at issue finally resolved itself into what rates of exchange were to be applied to the increase and decrease in the company's German and a composite figure for the net additions expressed in United States dollars for taxation purposes. The board decided that the company was entitled to deduct as its net addition the amount derived by applying the rates of exchange for marks and kronen prevailing at the end of the calendar year 1920, so that its net additions for that year amounted to over \$36,000,000. Thus there was actually no deficiency in the tax, as contended by the commissioner.

The trial occupied two days in October, 1930, and the record covers 250 printed pages. This decision means the return to it of a refund of about \$5,000,000 which the government has been holding from another case successfully appealed by the company but which has been held up pending the outcome of the one just concluded. The refund out of which the government was holding the \$5,000,000 resulted from a successful appeal from a rule which would have in effect taxed tax-exempt securities, usually known as the National Life of Vermont case, that company having been the first to appeal.

Mutual Benefit Field Folio to Be Explained by Thurman

Mutual Benefit general agents and training supervisors will gather at a series of regional meetings beginning Jan. 8 to discuss the new field folio, a compilation of company sales material to which W. H. Beers has given the major portion of his time the past year and to which other members of the agency department and officers of the company have given much attention.

Oliver Thurman, vice-president and superintendent of agencies, will explain the use of the folio at the Philadelphia meeting Jan. 13-14. Other representatives of the home office will attend meetings in Boston, Cincinnati, Buffalo, Washington, St. Louis, Atlanta, Kansas City and key cities in the far west.

The field folio is in 12 sections, indexed in loose-leaf form, and is carried in a special leather portfolio. The material will be readily available during sales interviews and will be amplified by agents to meet their individual needs.

Mortensen Wants True Statements

Desires Current Information Upon Which to Base Judgment

FOR HANDS OFF POLICY

Wisconsin Commissioner Feels Sanctioning Any Arbitrary Standard by State Officials Is Mistake

Commissioner Mortensen of Wisconsin in a formal statement declares that he expects the companies "to file their annual statements in compliance with the laws of Wisconsin." He takes the position that the department should be advised of the actual condition of the companies, as measured by true and current market values of securities. From that information, he states, it is up to the commissioner to decide whether the individual company should be permitted to continue in the state.

"It is not for the commissioner," he said, "initially to predetermine and promulgate a valuation standard, arbitrary, fictitious or otherwise, for the companies to use in listing securities in their financial report."

Last Year's Bird Nest

Mr. Mortensen declared that what a company may have been able to do in the past is no criterion in these days of what it presently may be able to do. "A safe and dependable standard of values in the past," he said, "is like a last year's bird nest after its builder and occupants have flown."

A commissioner's job, according to Mr. Mortensen, is to determine whether valuation as submitted by the companies reflects fair values as of the date of the report. The commissioner forms his judgment from the best available sources, including stock exchange, bona fide sales, book of valuations published by the National Convention of Insurance Commissioners, etc.

Mr. Mortensen contends that it is not the commissioner's job to establish a rule by which securities may be measured upon submission, thereby suggesting if not sanctioning the use of such figures.

May Be Embarrassed

The commissioner who sanctions such an arbitrary standard, according to Mr. Mortensen, would undoubtedly be embarrassed by the necessity of deviating from the standard under certain circumstances. "The commissioner," he said, "should in no way be a party to the making of the companies' statements; it is for them to determine and submit them and for the commissioner to examine them."

Any publication or guide to help the commissioner in his judgment should be based as nearly as possible on the true intrinsic value or list price of the securities on a certain date. There should be no attempt to doctor the quotations.

Mr. Mortensen said that if it is proper to allow entering of securities at prices above the market quotation, it would also be proper for him to insist upon price levels below the market quotation in times of inflation.

Hands Off Policy

"It would seem the part of prudence," he added, "to adopt a policy of hands off and let the companies apply their own standards in making up their schedules."

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Over Three Billions Paid Out in Insurance Benefits

HARTFORD, Dec. 31.—Approximately \$3,250,000,000 will be the year's total direct benefits payable under all kinds of insurance, making the largest annual distribution to policyholders and beneficiaries, it is estimated by B. D. Flynn, vice-president and actuary of the Travelers. The amount exceeds the distribution of benefits last year by 12 percent and marks the first time in the history of insurance in this country that direct policy benefits have passed \$3,000,000,000.

Nearly \$2,500,000,000 of the total, it is said, will comprise payments this year to policyholders and beneficiaries under policies protecting people, such as life, accident, health, liability and workmen's compensation insurance. The remainder of \$750,000,000 of payments will cover losses involving property.

Life Insurance Benefits

Life insurance benefits for the year are placed at more than \$2,000,000,000, an increase of more than \$300,000,000. Slightly more than half the year's direct life insurance benefits, it is estimated, will be made because of death and disability suffered by policyholders, while nearly \$1,000,000,000 in benefits will go

to policyholders in the form of endowments and cash values under policies.

Accidents during the year causing personal injuries and deaths will be responsible for the payment of \$560,000,000, a slight reduction from the preceding year which is due to conditions underlying the writing of workmen's compensation insurance. More than \$300,000,000 will be paid to the victims of automobile accidents or their families because of death, non-fatal injuries, and damage to property. Nearly three-fourths of the \$300,000,000 in payments will result from the death and injuring of persons in automobile accidents.

Property Damage Benefits

Of the total of \$750,000,000 in benefit payments because of damage to property, more than \$400,000,000 will cover the losses by fire involving insured real estate and motor vehicles. Losses suffered by policyholders under burglary insurance during the year, it is said, will require the disbursement of more than \$15,000,000. The payments under other forms of insurance involving the honesty of persons will bring the total of such payments up to more than \$100,000,000 for the year 1931.

American Life Convention Committee Members Named

H. P. Hammond, actuary Travelers, has been made chairman of the American Life Convention's departmental supervision committee. F. B. Mead, executive vice-president Lincoln National Life, will be chairman of the blanks committee, while E. Lee Trinkle, vice-president Shenandoah Life, will be head of the credentials committee. Other members of these committees will be:

Members of Committees

Departmental supervision—F. L. Alexander, president Lafayette Life; C. J. Daly, president Capitol Life of Denver; P. M. Estes, general counsel Life & Casualty of Nashville; J. B. Reynolds, president Kansas City Life; W. C. Schuppel, executive vice-president Oregon Mutual Life, and J. F. Williams, vice-president Illinois Life.

Blanks—W. P. Coler, actuary American Central Life, and George Graham, vice-president Central States Life.

Credentials—F. L. Bramble, secretary Midland National Life of Watertown, S. D.; R. P. Davison, president Liberty National Life of Birmingham, Ala.; N. J. Frey, president Wisconsin Life of Madison; E. A. Hill, secretary Standard Life of Pittsburgh, and Harry Wade, president United Mutual Life of Indianapolis.

Knowlton L. Ames' Insurance Reported to Be \$1,000,000

Knowlton L. Ames, owner of the Chicago "Journal of Commerce," and chairman of the board of the Booth Fisheries, who committed suicide in Chicago last week, is reported to have carried about \$1,000,000 of life insurance. Mr. Ames had been greatly distressed by the decline in value of his various holdings. K. L. Ames, Jr., one of the sons, is publisher of the Chicago "Evening Post," and John D. Ames, the other son, is publisher of the Chicago "Journal of Commerce."

R. W. Brown Made Director

R. W. Brown, conservation officer for the American Life of Denver, has been elected to the board of directors and has been appointed assistant secretary.

James Victor Barry With Life Extension Institute

James Victor Barry, who retires as third vice-president of the Metropolitan Life, has been elected a vice-president of the Life Extension Institute of New York City and will take his position next week. He will also have the title of research director. Mr. Barry will thus be able to keep in close touch with the insurance fraternity, especially in life insurance. His popularity was evidenced by the dinner given him at the Waldorf-Astoria in New York City, Dec. 9, when 700 attended. Mr. Barry first came into prominence in insurance as insurance commissioner of Michigan.

Col. Kelly May Be Named as New Jersey Commissioner

NEWARK, Dec. 31.—Col. William H. Kelly of East Orange, prominent in politics in New Jersey for the past few years, will succeed Frank H. Smith as insurance and banking commissioner of New Jersey, according to present plans.

Colonel Kelly has had considerable banking experience, being one of the organizers and first president of the East Orange Trust Company, but has had little or no experience in the insurance field.

Prominent bankers and insurance men throughout the state have urged Governor-Elect Moore to reappoint Frank H. Smith, who has made an excellent commissioner for both departments. Mr. Moore wants to retain Commissioner Smith until the bank situation has been settled, but the commissioner refuses such an appointment. He wants a full term appointment, which the Democrats refuse to concede. His term of office expires Feb. 27.

Commissioner Smith has not been in the best of health for some time and in addition desires to devote more time to his own business. It is a matter of general regret to the insurance fraternity that the incoming administration can not see its way clear to reappoint him.

The Travelers has declared a quarterly dividend of \$4 and an extra dividend of \$2, payable Dec. 30 to stockholders of record Dec. 21.

Missouri State Is Settling Down

Peace Treaty and Election of New President Are Restoring Confidence

WILL DISMISS POLITICS

Agency Department Under Vice-President J. J. Moriarty Stands Up Well Under Circumstances

ST. LOUIS, Dec. 31.—With its administrative problems settled by the election of Judge C. I. Dawson of Louisville as president and the complete agreement of all factions of its stockholders as to the directors to be elected at the annual meeting Jan. 19, the Missouri State Life is launched into the new year with the feeling that it should prove a successful one for this company, now 40 years of age.

The year proved a very trying one for the agency organization but under the leadership of Vice-president J. J. Moriarty, the men who sell Missouri State Life insurance proved steadfast. Despite the great handicaps imposed by the general depression and the added obstacle of internal discord on the directorate they continued on the firing line and produced week in and week out a creditable volume of good business and managed to make a fair showing on renewals. The fact that with one single exception no outstanding agent deserted the company speaks well for the leadership of those at the head of the agency organization of the Missouri State Life.

Will Dismiss Politics

In that now the agents may forget about company politics and devote their entire thought and energy to obtaining applications, it seems certain the company should experience a decided gain in not only new paid for business but also improvement as to lapsation, renewals and restorations and in the paying off of policy loans.

Those in the best position to know have expressed the belief that Judge Dawson should prove an excellent president. They feel that he will quickly master the essentials of life insurance and with his natural executive ability, coupled with his judicial balance and pleasing personality should soon win the hearty co-operation of not only the entire agency organization, other executives and employees but also eventually obtain the confidence and respect of other life insurance leaders, insurance commissioners and all others with whom the company has business dealings.

In the organization are many outstanding life insurance men and it is probable that Judge Dawson will make very few if any changes in the official family.

There may be a new official or two chosen at the Jan. 19 meeting and if so they will be experienced life men, according to reliable information.

Standard Life in Rally

District managers of the Standard Life of Mississippi gathered for a two-day conference at the home office in Jackson, Miss. G. Fay Davies of the Life Insurance Sales Research Bureau, addressed the conference. There was a dinner dance for the district managers, home office employees and home office agency force.

T. E. Hand, executive vice-president, was toastmaster at the banquet.

New York Life Is On the Air



THOUSANDS of congratulatory letters about our radio programs have been received. The purpose of these broadcasts is primarily to promote the conservation of insurance; and the Company hopes that life insurance, in general, as well as the New York Life will benefit.

The agents of all companies are invited to tune in on our programs every Tuesday evening on any of the following stations:

9:30 Eastern Time.....	New York	(WJZ)
" " "	Boston	(WBZ)
" " "	Springfield	(WBZA)
" " "	Baltimore	(WBAL)
" " "	Richmond	(WRVA)
" " "	Rochester	(WHAM)
" " "	Cleveland	(WGAR)
" " "	Pittsburg	(KDKA)
" " "	Detroit	(WJR)
" " "	Cincinnati	(WLW)
8:30 Central Time.....	Chicago	(WENR)
" " "	St. Louis	(KWK)
" " "	Kansas City	(WREN)
" " "	Council Bluffs, Ia. (KOIL)	



HOME OFFICE BUILDING

NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE
NEW YORK, N. Y.

N. Y. Banks Reach Agreement for Valuing Bond Holdings

MARKET BASIS IMPRACTICAL

Use Would React Unfavorably on Institutions—Divided into Three Classes

NEW YORK, Dec. 31.—Because of the question of the valuation of insurance company securities in annual statements, considerable interest attaches to the report that clearing house banks in New York have reached an agreement on the valuation of their bond investments for their year-end reports. It is felt that the customary plan of writing down their investments to market would make it more difficult for smaller institutions throughout the country to follow this practice and would show them up unfavorably in contrast to the larger banks.

Bonds in Three Classes

Falling bond prices in the last few months have resulted in such conditions that were banks generally to carry their obligations at the market quotations it would increase the volume of liquidation by causing banks to unload. Following instructions of the comptroller of currency, bonds will be divided into three classes. Those of the highest class will be carried either at cost or at book value. For those of the second class a uniform method of valuation will be adopted, 25 percent of the market depreciation being deducted from book value or cost. Bonds which have actually defaulted will of course be carried at the market. Bonds include those having the four highest ranks in Moody's and other designated quotation service.

Cravens-Dargan New Deal

Texas Change Whereby Northwestern National Names Hewitt Manager—Firm Gets Old Line Life

HOUSTON, TEX., Dec. 31.—For 13 years Cravens, Dargan & Co. of Houston have been Texas state agents of the Northwestern National Life of Minneapolis. The manager of the life department of the firm for seven years has been H. G. Hewitt. The connection between Cravens, Dargan & Co. and the Northwestern National is terminated by mutual consent today. Mr. Hewitt retires from the service of the agency to become state manager of the Northwestern National Life. In addition to the Northwestern National, Cravens, Dargan & Co. for the last six years have operated the American Provident Life of Houston, a legal reserve, stock company. The entire business of that company was reinsured several months ago in the National Standard Life.

Get the Old Line Life

Cravens, Dargan & Co. now become state managers for Texas of the Old Line Life of America with home office in Milwaukee. Barrell Cox, formerly southwestern supervisor for the Acacia Mutual will manage the life department of Cravens, Dargan & Co.

Considering that total life insurance in force through the office of Cravens, Dargan & Co. in the Northwestern National and the American Provident totals something over \$30,000,000, it will be seen that the changes involved in this announcement are major ones. The offices of Cravens, Dargan & Co. will continue at Holman and San Jacinto streets. The new offices of the Northwestern National Life will be at 2026-30 Gulf building.

"The Northwestern National has handled its Texas business through Cravens, Dargan & Co. most satisfactorily since 1918," President O. J. Arnold said in

Bitter Legal Struggle Over Security's Michigan License

COMMISSIONER IS ATTACKED

Both Sides Are Now Girding Themselves for a Battle of No Small Magnitude

LANSING, MICH., Dec. 31.—Judge E. J. Moinet will probably preside at the forthcoming hearings in the federal district court at Detroit, which will decide whether the license of the Security Life of Chicago will be revoked in Michigan. The attorney general's department is informed that the injunction proceedings brought by the Security to prevent Commissioner Livingston from carrying out his ouster order of several months ago will be heard by Judge Moinet rather than Judge E. A. O'Brien, who had initial jurisdiction and who issued the temporary restraining order at the behest of the company.

Hearings on Jan. 11

Hearings are now scheduled for Jan. 11 both on the company's petition for a permanent injunction and on a motion filed by the attorney general's department in behalf of the commissioner asking permission to file an amended brief in the case. To the motion were appended the so-called "Corcoran report" of examination of the Security Life and a showing in the form of an affidavit from the department's chief examiner to the effect that the company's own statements show its admitted assets less as of Oct. 31 than at the time of the convention examination. There is nothing, however, to show decrease in liabilities.

Bitter Fight Is in Sight

The hearings are expected to prove bitter legal battles, Commissioner Livingston's determination to eject the company from Michigan being evidenced by his resort to the hitherto suppressed examination report, which was rejected by the Virginia corporations commission, while the company is attacking not only the commissioner's instant action but the entire law upon which it is based, contending that the legislature could not, under the constitution, delegate such broad powers of supervision to the commissioner as to permit him to destroy a well-established agency plant merely because he deems the company not entitled to "public confidence."

commenting on the change. "In that time its life department established itself as one of the company's leading producing units. However, developments have made it increasingly clear that it was desirable all round for us to establish a separate agency in Houston. The new office, centrally located in downtown Houston, will give us splendid facilities.

"Although still in his early '40's, Mr. Hewitt has already set an enviable record in agency management and development. His entire life insurance career has been with the Northwestern National, starting in Nebraska 11 years ago. In 1924 he came to the home office as assistant superintendent of agents, and for the last six years has had charge of the company's operations in Texas as manager of the life department of Cravens, Dargan & Co. Under his direction this organization developed rapidly, producing more than \$6,000,000 of business in 1930.

"The formation of the new agency will in no way disturb the Northwestern National's existing Texas sales organization which will continue intact under Mr. Hewitt's direction at the new office."

The arrangement of material in the Little Gem Life Chart is of convenient, non-competitive style, designed for the best methods of selling. Order at your company club rate from The National Underwriter.

Settle Basis for Valuation of Securities in Dominion

DEC. 31, 1930, VALUE FOR BONDS

Market Value of June 30, 1931, Favored for Common Stocks—Not Definitely Settled

TORONTO, Dec. 31.—The main points in regard to valuation of securities of Canadian companies as at the end of 1931 have been settled at conferences in which G. D. Finlayson, Dominion superintendent of insurance, other government officials and representatives of the companies participated. Official announcement will likely not be made until all details are settled, but it is learned that the principal bases for valuation are as follows:

All government and municipal bonds not in default to be taken at market values of Dec. 31, 1930; all corporation bonds now selling at 75 per cent or more of par value, to be taken at market values of Dec. 31, 1930.

No Company Needs Assistance

Discussions are still under way, according to latest information, as to what methods of valuation will be used for bonds in default or now quoted at less than 75 per cent of par value. For common stocks, market values as of June 30, 1931, are favored, but this point is not finally settled.

It is understood that a plan acceptable to the Dominion department, and also to all the companies, can be reached. That is, there will be no need for any amalgamations, nor for the assistance of any one company in particular. Officials point out that if any such step had been found necessary, it would have been taken before this.

It has been the practice in the past for the various provincial governments to adopt the Dominion valuations. The Dominion department issues a book of valuations just after the end of the year, setting forth the valuation for each security held. This has delayed the discussions to some extent, for it has been advisable to judge in advance the effect of the proposed method on loan and trust companies, whether the latter are under Dominion or provincial jurisdiction.

Premier at Toronto Conference

The discussions have been chiefly between Superintendent Finlayson and a special committee of the Canadian Life Insurance Officers' Association. However, Premier Bennett of Canada and C. A. Dunning, former minister of finance of Canada and now chairman of the investment committee of one of the Canadian life companies, took part in a consultation here.

The change this year will be the first of the kind for the Dominion department, which in the past has held firmly to market values of securities. It is not necessarily a permanent change, as the Dominion superintendent, and also some company officials, feel that the conservative restrictions exercised in the past have saved some institutions from present difficulty.

Prudential's Tax Appeal

The Prudential has filed a petition with the United States board of tax appeals seeking a reversal of the commissioner of internal revenue on claims for \$275,316 in income tax. The company, according to its appeal, reported a net income for 1929 of \$11,683,238 and paid \$1,009,839 tax, computed at the rate of 11 percent. The internal revenue department claims, however, that the tax should be \$1,285,156, and has billed the company for the balance. The Prudential alleges several errors in the computation of its tax by the internal revenue department.

New Buyers of A. I. U., Inc., Expected to Start Action

STILL DENIED BOARD POSTS

Ohio Department Refuses to Permit Coyle to Repay Trans Continental Trust Co.

COLUMBUS, O., Dec. 31.—Probably after the first of the year the Trans Continental Trust Company of Chicago will institute some sort of legal action in an attempt to get representation on the board of the American Insurance Union, Inc. The trust company recently bought 9,960 shares of A. I. U., Inc., but the sale is being contested by Executive Vice-President A. F. Coyle, who controls the board of directors and is not recognizing the trust company.

Coyle's attempt to force the Trans Continental Trust Company to accept repayment for the 9,960 shares has apparently been frustrated, the Ohio department being reported to have refused to permit repayment, which would have to be made out of capital and surplus.

There is a provision, whereby at the request of 40 percent of the stockholders, a meeting of stockholders may be called with 20 day's notice. The Trans Continental Trust Company, which represents more than 40 percent of the stock, requested the A. I. U., Inc., to call a meeting either for Jan. 18, 19 or 20. This request was refused; the privilege of inspecting the books and getting a list of stockholders was denied.

The attorney general of Ohio, it is understood, has been asked to pass upon the question as to whether a fraternal may invest its money in another life insurance company. It is reported that the query applies to the American Insurance Union, it being the desire, it is asserted, to invest funds of the fraternal branch of the organization in the A. I. U.

Mr. Coyle is in California on a visit.

Plan for Savings Bank Life Insurance Up in New York

NEW YORK, Dec. 31.—A bill authorizing savings banks in New York state to write life insurance has been prepared by State Senator Hastings of Brooklyn for presentation to the coming session of the legislature.

The plan is based on a study of the Massachusetts savings bank insurance arrangement, which has been in effect since 1907 and now has about \$90,000,000 of insurance in force. The proposed measure provides that no solicitors be employed; a limit of \$1,000 per life by any one bank but allowing each insured to have a policy with any number of banks having insurance departments; profit sharing by policyholders; pooling of mortality experience, and the appointment of the superintendent of insurance and the superintendent of banking as trustees.

The plan would be on a legal reserve basis, with guaranteed cash surrender values after six months; insurance department assets would be kept separate from savings bank assets and would not be liable for banking obligations. An actuary for the plan would be appointed by the insurance department and would prepare policies for issuance by the banks.

Mickey Honored by Round Table

James H. Mickey, associate general agent with Herbert A. Hedges for the Equitable of Iowa in Kansas City, and president of the Kansas City Life Underwriters Association, has been elected first vice-president of the Club Presidents Round Table of Kansas City.

Does It Pay?

«»

INSURANCE agents are no more indifferent to advertising than the rest of the public. They are influenced by all of the advertising they read in newspapers and general magazines, and so what reason is there to think they are not influenced by the advertising they read in The National Underwriter?

People buy Pepsodent Tooth Paste, Wrigley Chewing Gum, Goodyear Tires and Lucky Strike Cigarettes, not because they are "the best," but because they are advertised so constantly the public unconsciously accepts the idea that they are superior.

That is the whole principle behind any advertising. The reading public very largely believes you are what you say you are, and if you say nothing you are nothing, or very close to nothing, in the public mind.

On the other hand, advertising can be made so potent that an insurance company with nothing more to offer than can be presented by fifty other companies, can nevertheless put itself on the insurance map almost entirely through advertising.

It can convince the rank and file of agents that it is "better"; that it is "different"; that its service is superior, and all the rest of it.

In other words, advertising in The National Underwriter, which is read by agents everywhere, can make and maintain a favorable reputation for a company. In order to acquire this prestige, a company does not have to be the oldest, the largest or the best—it only has to advertise consistently and intelligently. Such advertising breaks down the barriers and paves the way to desirable agency appointments—appointments of the kind that are impossible to the unknown, unadvertised companies.

Advertising in The National Underwriter can do all this, is doing it every week, and still there remain some home office executives who ask "does it pay?"

(Number 13 of a series devoted to the merits of National Underwriter advertising)

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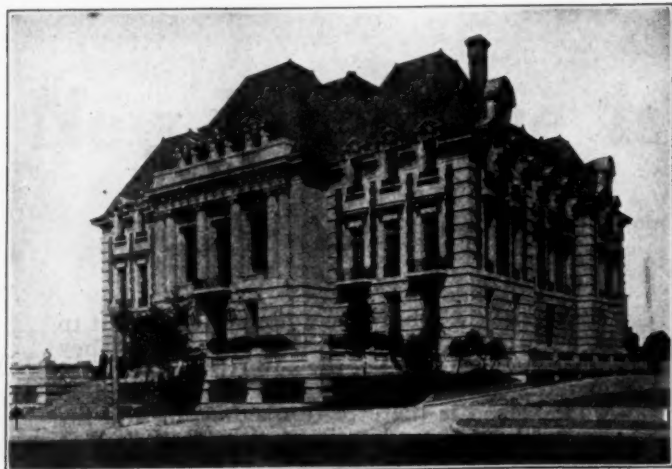
The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor



Home Office Building

A Complete Life Insurance Service for a Modern Age

We Offer

- Policies all ages, 1 day to 70 years.
- Both Participating and Non-Participating.
- Non-Medical—Sub-standard.
- Disability, Dismemberment and Surgical Benefits.
- Special Monthly Premium Payment Plan.
- Double Indemnity.
- Children's Policies with Beneficiary Insurance.
- NEW FAMILY INCOME PROTECTION POLICY.
- Sales Planning and Circularizing Department.
- Producers' Club.

Available territory in seventeen states West of the Mississippi River and in Illinois and Florida.

WRITE DIRECT TO HOME OFFICE

Central States Life Insurance Company

James A. McVoy, President

HOME OFFICE: SAINT LOUIS

Minneapolis Company Gives First Figures for the Year

NOTABLE RESULTS ATTAINED

Northwestern National Life Shows Firm Gains in Spite of Business Depression

The Northwestern National Life of Minneapolis, so far as is known, is the first company to come out with a preliminary statement showing business of the year. Its gain in paid-for insurance in force is \$10,000,000 or 23½ percent. Its income was \$12,500,000, 2½ percent gain. Its assets are \$45,500,000 or 8½ percent gain. It paid beneficiaries last year \$2,000,000 and living policyholders \$4,000,000. Its new business last year on a paid-for basis was \$65,000,000 and its insurance in force \$360,000,000.

"The most significant feature of the company's condition at the close of this difficult year," O. J. Arnold, president, said in commenting on the report, "is the high degree of liquidity obtaining in our assets. In these times when liquidity is synonymous with stability, our company has nearly 44 percent of its total assets in the form of readily convertible bonds and cash. More than 7.5 percent of its total assets are in United States government bonds. The government bond holdings were increased 24 percent during 1931."

Stotz Agency Meeting

Oliver Thurman, vice-president Mutual Benefit Life, is in Grand Rapids this week to attend the first annual meeting of the R. R. Stotz agency. Dr. W. R. Ward, medical director, also attended the meeting. F. F. Ulrich of Grand Rapids and H. H. Hess of Lansing received veterans' pins, signifying completion of twenty years' service.

Income Held to Be Taxable

An assignment by a general agent of a life company to his wife of a one-third interest in his renewal commissions due in the future does not operate as an assignment of a property right in praesenti and the income is taxable to the general agent, the United States circuit court of appeals for the seventh circuit held in the case of Bishop vs. Commissioner of Internal Revenue.

The court distinguished the case of Hall vs. Burnett, Commissioner, in

which it was held that an assignment by a life agent to his wife of an undivided interest in his contract with the company was a transfer of a property right rather than future income. In the present case, the court said, the language of the assignment showed that the intention was to transfer future income as it might become due to the petitioner.

Notable Results Reported for "All Producers Week"

NEW YORK, Dec. 31.—Very encouraging results are shown in the complete figures on the Equitable Life of New York's "All Producers Week," Dec. 14-19. Written business was about 1.4 percent ahead of "All Producers Week" last year. The number of agents participating was 8,203, or 7.3 percent of last year and there was a considerable increase in the number of agencies reporting 100 percent participation by their members. The total volume written was \$81,332,000 and total number of completed cases was 16,650, the latter being an increase of 6.9 percent over last year's campaign.

Interesting Arkansas Suit

Seven companies were named defendants in suits filed in the circuit court at Blytheville, Ark., by trustees and heirs of the late Goah S. Barnes, asking a total of \$75,000 on double indemnity and accident policies. Barnes was killed in August when a train struck his automobile at a grade crossing in Gilmore, Ark. Reports indicate the companies refused settlement on the allegation that Barnes met his death in a deliberate attempt at self-destruction. Companies sued for double indemnity on life policies are: New York Life, \$15,000 on two policies; Aetna Life, \$5,000; John Hancock Mutual Life, \$5,000; Travelers Protective, \$5,000. Companies sued on accident policies are: Metropolitan Life, \$5,000; Mutual Benefit Health & Accident, \$5,000; Business Men's Assurance, \$10,000.

Abraham Lincoln Life Figures

The Abraham Lincoln Life estimates its new paid for business last year \$7,600,000 as compared with \$7,193,035 in 1930. Its insurance in force is \$58,420,000 which includes the reinsurance of the Springfield Life. This shows an increase of \$1,836,545.

Joe E. Bales, until recently traveling Indiana as a field man for fire companies, has made a connection with the ordinary life department of the Prudential in Indianapolis.

General Agency Offers

To young men of character, education, experience and ability. Excellent opportunities to build a permanent and increasingly profitable business for themselves with this growing, fine quality company.

Special qualifications: Ambition, Vision, Faith in the business of Life Insurance, Faith in their ability to make a success, Courage to carry through, and Capacity for hard work.

We offer fair and liberal first year commissions and renewals, with as much territory as can be profitably handled.

In Indiana, Illinois, Michigan, Ohio, Texas, Iowa, Minnesota, North Carolina, Florida and California.

Special Opportunity—Cleveland, Cincinnati, Minneapolis, St. Paul, and Grand Rapids

The Company

INDIANAPOLIS LIFE INSURANCE COMPANY

Mutual—In its twenty-seventh year.

Insurance in force \$108,000,000.00

Assets \$14,000,000.00

Gain Ins., in force, 1931 Approx.....\$5,000,000.00

Total Death Claims Paid..... 3,095,603.00

Total Dividends Paid Policyholders..... 3,094,240.00

Mortality: Average 26 years 40%; 1931, 35%

For Agency write Frank P. Manly, President

FINANCIAL PROBLEMS

Encouraging Factors in Railroad Situation Found by G.C. Holmberg

The problems of the railroads are not insuperable, George C. Holmberg, treasurer Northwestern National Life, told members of the White & Odell agency of Minneapolis. Gloomy prophets, he said, put too much emphasis on the restrictions of the Interstate Commerce Commission and competition of bus, waterway, airplane, etc. These, he declared, are unfavorable factors, but weighed against them are more encouraging factors.

Public opinion, he said, seems to favor removing some of the burdensome restrictions. He cited the recent authorization of the Interstate Commerce Commission of higher freight rates. There are indications that wage reductions will be brought about. He referred to the annual report of the commerce commission to Congress in which an investigation into competition of other forms of carriers is recommended with a view toward placing competition on a just and equitable basis. There is agitation for repeal of the present recapture clause.

Some Are Subsidiaries

Mr. Holmberg referred to the fact that the commerce commission advises that only about 16 percent of the railroads are not now earning their fixed charges. Some of the roads in a predicament are subsidiaries and are in a position to get aid. This percentage, he said, is no higher than in many other businesses today. He pointed out that the railroads are able to help themselves. They have proposed to set up a fund of their own of \$100,000,000 for the extension of credit to distressed railroads.

Mr. Holmberg said that the railroads are making rapid strides in adapting other forms of transportation to their own use and increasing their efficiency. Private automobiles have cut into railroad income, but they have produced freight traffic.

Although railroad earnings are suffering from a greater decline today than in 1920 and 1921, in other respects, according to Mr. Holmberg, they are in bet-

ter shape than when they were turned back to their owners after the war. "We have seen them recover from their condition then," he said, "and through their operating economies rehabilitate themselves physically and financially in most cases, notwithstanding the restrictions placed upon them."

Mr. Holmberg said that discrimination must be used in judging the value of railroad bonds. An analysis of underlying liens, he said, even of railroads which have passed through receivership, will often indicate that they are so strongly protected, not only by security but by earnings, as to make it inconceivable that holders will ever be likely to suffer any loss if carried to maturity.

Because insurance companies carry bonds at the amortized value, Mr. Holmberg pointed out that they are not neces-

sarily concerned with the fluctuating market price. This method, he said, assumes the bonds will be paid at par at maturity and each year the owner writes up or writes off proportionate amounts of discount or premium included in the purchase price, so that by the time the bonds mature they will appear on the books at par and will give the interest yield on the basis on which they are purchased.

Find Group Management of Foreclosed Farms Success

LINCOLN, NEB., Dec. 31.—Group management of farms owned by non-residents and corporations that have other functions to perform has been in successful operation in Nebraska and Iowa for the past six years, one corporation with headquarters at Omaha having under its control and supervision over 700 farms at the present time. A number of insurance companies that have had to take over farm lands in satisfaction of mortgages are among the non-resident owners that have turned their holdings over for such operation. The company employs as supervisors college-trained farm experts who have also had practical experience, and each

has a separate territory in which he carries out his policies. Only tenants who will agree to be guided by his advice and obey his instructions are placed in charge or retained. Marketing is also controlled by the operating company. The results have been surprising. Every farm on the list, it is asserted by C. J. Claussen, the head of the company, has returned a profit even during the depression. This is accomplished by reducing costs and increasing production.

FORM NEW OHIO COMPANY

COLUMBUS, O., Dec. 31.—The Farm Management Company has been incorporated here by former Lieutenant Governor John T. Brown and others, one of its purposes being the management of farm properties which have been taken over by insurance companies. The organization is composed of "master farmers" and they are confident that through scientific management they can make these farms pay dividends.

Donahue's Fine Record

John J. Donahue of Detroit, state manager in Michigan for the United Benefit Life of Omaha, achieved something of a record. One day recently he sent in fifty \$10,000, 20-year endowment applications together with the nets payable to the company.

The January Horoscope

People born in the first 19 days of January come under the influence of the zodiacal sign, Capricorn. They are generally high-minded, exceedingly proud, and strong of will. Men born in this period are possessed with keen business instinct and make ideal leaders.

Sir Isaac Newton, Gladstone, Richelieu, Alexander Hamilton and John Hancock are famous men born under the influence of Capricorn.

Aquarius rules over the period from January 20th to 31st. Men born in this period are of an affectionate disposition which frequently makes of them philanthropists and statesmen. Faithfulness to duty and determination are other predominant qualities.

Famous men born under the influence of Aquarius are Mozart, McKinley, James G. Blain, Lord Byron and Francis Bacon.

The Garnet is your lucky stone. Your birth flower is the Carnation.

The virtue of January is constancy.

1931 has gone its way. But the stars in their age-old cycle are bringing back improved conditions throughout the globe. Prepare yourself for better times!

C. L. U. Movement Is Stimulated by Colleges

At least 33 colleges and universities now are giving instruction to groups of agents who are studying for one or more installments of the C. L. U. examination, the American College of Life Underwriters reports following a survey of educational activity. Fully 20 other institutions have placed their facilities at the service of agents and are willing to install the necessary courses if a sufficient number are interested to give adequate support. Forty-three independent study groups have been organized not directly affiliated with higher educational institutions, with combined enrollment over 1,100.

There is noticed a growing tendency to prepare thoroughly for one installment of the examinations at a time, rather than to attempt the entire examination series, many groups concentrating this year on the first installment. Another tendency is to limit membership in review courses to underwriters with college or university degrees, or the equivalent, and to spread the course over an entire year, requiring considerable outside study. The American college reports that 57 cities in 27 states and the District of Columbia now have definite organized courses under way and programs being considered for many others.



Royal Union Life Insurance Company

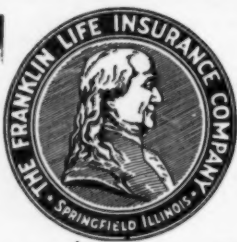
Des Moines, Iowa

A. C. TUCKER, Chairman of the Board

J. J. SHAMBAUGH, Pres.

B. M. KIRKE, V. P. & Field Mgr.

W. D. HALLER, Sec'y



Let's Go!

Financial good health and an excellent business appetite throughout 1931 have given The Franklin a keen desire to tackle 1932.

The resolution of the men who founded the Company in 1884—"to create the best life insurance protection for policyholders that the earnest and undivided efforts of the Company can achieve"—is renewed for 1932.

**THE FRANKLIN LIFE
INSURANCE COMPANY**
Springfield, Illinois

Wisdom Gleaned from the Ages

Back in 100 A. D. Epictetus said: "No great thing is created suddenly any more than a bunch of grapes or a fig."

Today, Southland Life says: "No great life insurance company is built within a day. Solid strength is preferable to mushroom growth."

[If you are interested in an agency contract with a company adhering to this principle, write]
Clarence E. Linz, First Vice President

Southland Life Insurance Company

Harry L. Seay, Pres.

Dallas, Texas

Nearing 50 Years of Service

Walter LeMar Talbot, president of the Fidelity Mutual Life, will complete 50 years of service with the company Jan. 14. He became connected with the head office when he was 11 years old, being an office boy. He became president in Feb. 1914. His first position was cash boy in Wanamaker's store in Philadelphia and in 1882 he went with the Fidelity Mutual Life at a salary of \$3 a week. One incident is related when Office Boy Talbot was instructed to send a shipment of printed matter to O. B. Jackman, Cedar Rapids, Iowa. He did so and complaint came from Mr. Jackman that he did not receive it. President Fouse called in the office boy and got the express receipt.

Paid for the Mistake

The office boy was shown the receipt, proving that it had been addressed to "O. E. Jackson." President Fouse ordered Office Boy Talbot to sit down, write a telegram stating that a mistake had been made and give the details. President Fouse then told the office boy that he must pay for the telegram. The telegram cost a dollar and it was deducted from his \$3 a week salary. A few years ago Mr. Jackman, who still was in Cedar Rapids sent President Talbot a check for \$2 to pay for the telegram together with interest and other accumulations.

In his early career with the Fidelity Mutual Mr. Talbot went to night school and later on had a private tutor.

He applied himself to his task and became manager of the supply department. He was chosen office superintendent when the Fidelity Mutual moved into a 12 story head office building in 1896. Later on he became interested in production. He was sent into the field to solicit business and then he was made agency director. In due season the position of second vice-president was created and he was elected to the board in January, 1903.

The Fidelity Mutual was interested in the Philadelphia Casualty and business men associated with the Fidelity Mutual



WALTER LEMAR TALBOT

concluded that the Philadelphia Casualty was not being properly administered. Mr. Talbot was made president and the burden of reorganizing the company was placed on him. He got it in shape and then the Philadelphia Casualty was sold to another company.

Returned to Old Post

While he was with the Philadelphia Casualty he continued to keep in close touch with the agency department of the Fidelity Mutual and promptly returned to that branch as soon as possible. In 1911 Mr. Talbot became vice-president and took full charge of the agency force. President L. G. Fouse had suffered a stroke of paralysis and it was found that he had to relinquish many of his responsibilities. Mr. Talbot took over the presidential burdens and following the death of Mr. Fouse he was made president Feb. 24, 1914.

Insurance Proves Backbone of the Nation During 1931

(CONTINUED FROM PAGE 1)

of any other big business, and they got results.

Notwithstanding the decline in volume and despite withdrawals of all kinds, the total life insurance in force in the United States will show an increase of over one billion dollars in 1931. The business is growing more rapidly than the national wealth.

Life insurance assets have passed the twenty billion mark.

Fund Is Not Alarming Accumulation of Wealth

To the general public, this sum may seem to be an alarming accumulation and concentration of wealth, whereas to managements it means a fund to make certain the eventual payment to over one-half our population of money which will be helpful whenever paid.

Both public and managements are concerned about whether or not this fund is safe.

That the current business depression has had its effect upon investments is recognized. The subject has received earnest consideration. It is too early to write an estimate of results. Official sanction by the National Convention of Insurance Commissioners has been given to the valuation of securities on the basis of market values as of June 30, and reports required to be filed on or before March 1, 1932, will tell the whole story as to each particular company.

Meantime, there is promise in the outlook. Life insurance companies are trustee partners in the business of the United States. Compositely, their as-

sets in 1930 were invested substantially as follows: in farm mortgages, to the extent of 10.9 percent; in urban mortgages, 29.4 percent; in railway securities, 17 percent; in public utilities, 9.7 percent; in government, state and foreign bonds, 7.7 percent; in other bonds, real estate, etc., 11 percent; and in policy loans and premium notes, 14.3 percent. These percentages probably did not change much in 1931.

Unless the financial structure of America utterly collapses, government fails, and citizenry loses faith, these investments are safe and sound, and they guarantee institutional solvency.

If life insurance is, as has been stated, an excellent reflector of economic conditions, the prospect gets brighter every day. There is now, in fact, perceptible silver in the cloud linings of American life insurance.

So much for the fiscal.

On the Technical Side Disability Outstanding

The striking feature of 1931, as to the technical or managerial side, was the disintegration of the disability annuity benefit.

This benefit was conceived for the purpose of furnishing field representatives with an attractive sales appeal. It emanated from the logical idea of "waiver of premiums" in case of permanent physical disability, but inevitably it drifted into a menacing contract to pay an annuity. Designed for a purpose inconsistent with fundamentals and conducted along lines which assured serious loss, the National Convention of Insurance Commissioners, very properly and bravely, a little over two years ago, undertook to place this sort of underwriting on a sounder basis, if possible, by advocating a standard disability

clause and a stronger reserve basis. When annual reports of companies disclosed mounting claims and enormous losses, however, managements began to modify, and in many cases to abandon, the idea. Forty-three companies, so far, have either discontinued, modified, or withdrawn this feature. The incident reminds one of Byron's line, "Tis to be wished it had been sooner done."

Incidental thoughts about 1931 cover a variety of subjects.

Increase in Suicides Caused Clause Changes

There was an increase in suicide death claims, particularly among the heavily insured, because of financial losses. This led to revisions of suicide restrictions and incontestable provisions, as well as maximum limits.

Dividend reductions were announced because of reductions in security values and decreasing interest rates. Some companies were forced to lower the gross rate of return to policyholders and beneficiaries on funds deposited.

There was an epidemic of new policy forms, many inspired by the "family income policy" which came out with such a flourish in 1930. The basic principle of this policy—as old as life insurance itself—was built upon in 1931 until no less than 20 new forms were devised, all fantastically entitled, but all "modifications of an old garment, put out with new trimmings."

The "world do move" and life insurance managements are keenly appreciative of public demands. New policy forms are necessary.

Trend Both to Higher And Lower Premium Forms

The 1931 tendency was, first, toward policy forms where low premiums were required and, second, and rather paradoxically, toward policy forms at higher premiums, with larger elements of saving and investment.

The American people certainly became thoroughly insurance-conscious and insurance-minded in 1931, which resulted in selling life insurance more upon a business basis than upon a sentimental one.

If 1931 has no other item of credit to its account, the entry which shows that it taught men to respect their reserves in life insurance policies as their one dependable asset will offset a long list of inconsequential debits.

As to mortality among insured lives, there is little or no doubt that an increase has been experienced, but an approximation in figures would better not be attempted until more complete data is available.

Agents Must Rise to New Heights in the Future

Managements learned lessons in 1931. They did some intensive thinking, and concentration brought results. New and effective ideas were put in force to conserve business, and to put more on the books. Greater effort hereafter will be made to secure repayment of policy loans and to stimulate reinstatement of lapsed policies. There will be further refinement of the methods and personnel of field representatives. Efforts of managements will continue more earnestly and efficiently upon correct bases of service to policyholders. Agents will have to rise to new heights. They will be called into the closer confidence of their clients as business men, and they will be considered more the friendly counsellor than the life insurance agent. Once again, increased opportunities will involve increased responsibilities, but with wonderful prospects of abundant return.

The year 1931 had its real values. Men saw in life insurance, not only a sentimental form of family protection, but a safe and sure method of investment, as well as a means of recouping loss. Even though they saw their other assets dwindle into insignificance, they got consolation from the fact that through life insurance they could die rich.

In closing this review, attention is

Drainage of Cash Now Is Handicapping Companies

One of the most difficult aspects of the present situation facing life companies is the heavy drain on cash which is making it difficult for companies to avail themselves of the bargain prices existing in the investment field. It is a situation which will be felt in the years to come, for securities are felt to be at rock bottom and if bought now in large volume would tend to increase investment returns in the future.

One of the best examples of the way this condition is hitting the companies is the case of a large middle western company which literally has been unable to make any investments for upwards of 60 days because of the heavy drain caused by cash loans and surrenders.

Ratio Rises to 40 Percent

This company in 1930, it is reported, paid out about 20 percent of its 1930 income from all sources on cash loans and surrenders. This year the ratio has risen to approximately 40 percent.

Ordinarily this company has a tidy sum left over from the annual income after paying these items, death and disability claims, dividends and expenses. This year it is estimated the income will just about be absorbed by these payments.

All companies, of course, are required to put up reserves, and these must be in sound investments approved by the insurance departments. However, an important factor on the investment side in the past has been the surplus money with which to buy investment bargains in order that percentage returns might be increased. Companies and agents in competition have laid great stress on surplus interest earnings.

Time Limit for Part-Timers

Acting upon a request from the life underwriters at Columbus, Ohio, the Managers Association there has agreed in principle that agents now on part time must decide by June 1 whether they will go on full-time work or be dropped; that new agents who are taken on must decide within six months whether or not they will go on full time, and that no one shall be taken on who has been a parttime agent within the last two years and has not continued the work. The plan was given the approval of the managers at a meeting held the past week and it is expected that it will be formally adopted at a session to be held in January. It is expected that the January meeting of the managers will be addressed by a life insurance man of national reputation.

called to the fact that in 1931 there was no life insurance panic. The public manifested absolute confidence in it. No policyholder lost a dollar. His security was always worth every cent he thought it was. The fact that the business is scientifically constructed, that it is based on correct assumptions, and that it is diversified justifies public confidence and esteem.

Life insurance, in times past, has successfully gone through panics. It has suffered the shock of civil and world war, the influence of nation-wide epidemics, the forces of competition, and many financial depressions. It has always emerged with increased public regard.

It is certain that with the return of more favorable conditions, the growth of life insurance will continue, in amounts, in ratios, and in usefulness to the American people, to out-perform all its past performances.

The Prudential has promoted two members of its bond department, L. P. Mansfield, the department's buyer, and Caleb Stone, becoming associate managers. Mr. Mansfield has been with the company since 1928 while Mr. Stone's tenure dates from the middle of this year.



ENTHUSIASM

Spirit and enthusiasm, the greatest assets in the world, have helped build The National Life and Accident.

That spirit which distinguished this organization is noticeable not only in the Home Office but also in the 3,000 Shield Men located throughout the country. There is no doubt about the present spirit of the National Life & Accident family. It was never finer.

It's this spirit which helps Shield Men to success. It pays to be a Shield Man.

The **NATIONAL LIFE AND
ACCIDENT INSURANCE
COMPANY INC.**
NASHVILLE TENNESSEE
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THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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Liberality May Be Curtailed

LIFE companies are learning very much during these days when they are passing through many tests and sore trials. While companies have been able to be ultra liberal in the treatment of policyholders and go beyond what the law really requires it is a question whether security and safety will justify a continuance of the course that is very liberal.

Take for instance the question of cash values. The companies in days gone by did not pay the full equity on a policy in case of cash or loan value. The MUTUAL LIFE OF NEW YORK, in the later 90's, put out contracts guaranteeing cash values equal to the full reserve. That caused a commotion and most companies after the lapse of a few years pursued the same course. There is a small surrender charge made in the earlier years on present policies. Loan values follow the same route and practice as the cash values. While a company may have a clause in the policy allowing it to take 60 or 90 days before paying a loan there are very few that have taken advantage of the provision. Even in the most trying times of the last two years there are probably not a half dozen companies that delay payment and take advantage of the privilege. While the extra work has been arduous and the demands many, home offices have speeded up their machinery and paid loans and surrenders on the dot.

Never before has there been such an avalanche of applications for loans and surrenders. In times past companies have not regarded this as a weakening process. In fact they regarded loans on their own policies as a mighty good asset. Most companies charge 6 percent on policy loans and yet a company can borrow the money at 5 percent and make a banking margin of 1 percent.

The legal reserve system is built on the mortality experience of the human race, which is very accurate. The premiums are arrived at scientifically. In the calculation of the net premium, the compound

interest factor is taken into account. A company must earn 3, 3½ or 4 percent compound interest according to the basis on which it operates. There has never been any question as to the ability of a company earning the legal reserve rate. If, however, this drain on the companies continues the payment of the full reserve in surrenders and loans may undermine a great system that was considered invulnerable. For instance, a company feels under present conditions it must keep a large amount of money on deposit in a bank and must purchase securities that are extremely liquid so that it can sell them readily if necessary to meet current demands. It thus does not have the funds to invest in long time securities as heretofore. A company must keep itself in a position where it will be able to meet demands immediately. Banks, for instance, even the best of them, are carrying a large cash reserve at this time because they do not know what demands will be made. The companies have relied on investing their funds in mortgages or bonds covering an extended period so that the investment expense has been kept down. There has not been the expense of reinvestment.

While naturally the loan privilege is a most excellent one and is a necessary and desirable part of the life insurance contract, companies may have made it too easy for a policyholder to mortgage his contingent emergency fund. If a policyholder had to make some sacrifice in getting a loan or surrendering his policy he might take a thought before he acted. A life insurance policy should be a sinking fund kept on hand for some emergency. Of course during the last two years there have been many emergencies but many of them were fancied rather than real. The question of giving the full equity in the reserve is one that should challenge the thought and sober attention of life insurance executives.

WHERE the mind inclines, the feet lead.

PERSONAL SIDE OF BUSINESS

H. J. Kirschstein, for years agency superintendent for the Midwest Life of Nebraska and later in charge of its southern California activities, is bereaved by the death of his wife, a talented musician and manager of artists' concerts in Lincoln for a number of years.

C. Petrus Peterson, general counsel for the Bankers Life of Nebraska and a national insurance figure, had both shin bones cracked in a recent automobile collision. He was riding in the front seat when the car struck an icy stretch of pavement, skidding into a ditch. He is slowly recovering.

Following a long illness, Henry Wertimer, 70, manager in Buffalo for the Prudential for nearly half a century, died there last week. Since 1916 Mr. Wertimer had had as his partner his son, Sidney Wertimer.

M. N. Hatcher of Hatcher Brothers, North Dakota state agents of the Great-West Life of Winnipeg, is at his home in Fargo, recovering from an operation for appendicitis. He is expected to return to work shortly after the first of the year.

Lee White, Okmulgee, Okla., special agent Mutual Life of New York, has a record of 150 consecutive weeks' production. He was recently awarded the prize for leading his company in this record. The average policy he wrote was \$2,500 although some ran as high as \$5,000.

Clinton G. Halsey, assistant secretary of the Mutual Benefit Life, retired Dec. 31 after completing 48 years' service

with the company. Mr. Halsey will sail Jan. 9 on the Franconia for a trip around the world. Mr. Halsey began his career with the Mutual Benefit May 1, 1883. He became head of the accounts department in 1906, and was appointed assistant secretary in charge of accounts in 1912.

George W. Oldham, who is attached to the C. Hugh Blair agency of the Phoenix Mutual in Pittsburgh, has just completed ten consecutive years of weekly production. He has placed about \$3,500,000 on about 1,500 lives in that time.

Mr. Oldham concentrates his efforts in downtown Pittsburgh. He starts each day with at least 15 prospects, so located that time is not wasted in walking from one to another.

The appointment of Frank Hughes, manager of the brokerage department in the Mutual Benefit Life general agency of Chicago in charge of A. A. Drew, as general agent at Milwaukee, recalls the fact that this is the fourth man trained in the agency by Mr. Drew who has been appointed general agent. H. L. Choate, general agent at Washington, D. C., C. C. Otto, general agent at St. Louis, and E. C. Hawes, general agent at Bangor, Me., were all former Mutual Benefit Life salesmen in Chicago associated with Mr. Drew.

M. A. Linton, president Provident Mutual Life, has been elected a director of the Provident Trust Company of Philadelphia to succeed the late Asa S. Wing. Mr. Linton is chairman of the executive committee of the Life Insurance Sales Research Bureau and vice-president of the Actuarial Society of America.

LIFE AGENCY CHANGES

Klingman Agency Is Divided

S. D. Krueger, St. Paul, Takes Southern Section—A. B. Shea, Minneapolis, Handles Northern Division

ST. PAUL, Dec. 31.—The Klingman agency of the Equitable Life of New York has ceased to exist and in its place will be two separate agencies to cover the states of Minnesota, North and South Dakota. W. W. Klingman, former head of the Klingman agency, is now vice-president of the Equitable.

S. D. Krueger, who has been in charge of the agency the past year or two, will now have charge of the St. Paul area, comprising southern Minnesota and southern South Dakota, with headquarters in St. Paul.

Andrew B. Shea, who has been agency supervisor in St. Paul the past year, will take over the Minneapolis area, comprising northern Minnesota, northern South Dakota and all of North Dakota. His headquarters will be in Minneapolis.

The agency which is thus divided has been one of the largest and most successful agencies in the United States. It has been producing in the neighborhood of \$40,000,000 of new business annually and it was the success of the agency that resulted in Mr. Klingman being made vice-president of the Equitable with headquarters in New York. When he took charge of the St. Paul agency in 1915, the annual production was about \$3,000,000.

Larry White, formerly assistant manager at the Newark office of the Lincoln National Life, is now with the Jacoby agency in New York City.

F. W. Engel Takes Milwaukee

Supervisor of Agencies of the Franklin Life of Springfield Is Appointed General Agent

The Franklin Life announces the appointment of Frank W. Engel as general agent at Milwaukee. He has been



FRANK W. ENGEL

supervisor of agencies for the company since 1924. Desire to put into practice for himself the principles and methods of life insurance salesmanship evolved during his years of supervisory work led Mr. Engel to return to the

field of direct writing in which he formerly was a prominent figure.

Prior to his appointment as supervisor of agencies, he spent four years as a Franklin Life field man. He was general agent for the New World Life for six years, and agency manager of the American National Life of St. Louis for two years, during which time he constructed a sales manual for that company.

In announcing the appointment, the Franklin states that Roy C. Millar, who has been serving as general agent in Milwaukee, will remain as associate general agent in that territory.

C. E. Pettilon to Minneapolis

Assistant Life Manager W. A. Alexander & Co., Chicago, Joins the Berkshire Life

C. E. Pettilon has been appointed head of the Minneapolis office of the Berkshire Life to succeed Leon A. Triggs, who also had charge of the Chicago office for the Berkshire. Succeeding Mr. Triggs in Chicago is Byron C. Howes.

Mr. Pettilon has been assistant life manager for W. A. Alexander & Co. of Chicago, general agents for the Penn Mutual. He joined W. A. Alexander & Co. about three years ago, having been a local agent and real estate operator in Gary, Ind. Thus in three years he has made his mark in life insurance.

Promotions Are Announced

Western & Southern Life Gives Recognition to Number of Men in the Field

The Western & Southern announces the following promotions:

H. P. Eastman, agent at Cleveland-North, made superintendent at Cleveland-South; Carl F. Miller, agent at Wheeling, W. Va., made superintendent at Wheeling; C. L. Baird, deputy superintendent at Dayton, O., made manager at Evansville, Ind.; L. R. Walker, straight canvasser at Lawrenceville, Ill., made superintendent at Lawrenceville, Ill.; H. D. Stanford, agent at Hartford City, Ind., made superintendent at Anderson, Ind.; Harry Kraft, agent at Flint, Mich., made superintendent in that district; O. C. Randolph, agent at Fairmont, W. Va., made superintendent in that district; I. K. Morgan, special canvasser in Division C, appointed superintendent at Youngstown, O.; J. A. Shea, agent at Erie, Pa., made superintendent in that district; E. P. Workman, agent at Charleston, W. Va., made superintendent in that district; J. T. Moore, supervisor at Columbus-South, O., appointed manager at Kalamazoo, Mich.; Henry H. Hill, agent at Springfield, Ill., made superintendent at Peoria, Ill.; M. G. Starr, agent at

Rochester, Pa., promoted to superintendent at Beaver Falls, Pa.; Harry Borger, special canvasser at Roseland, promoted to superintendent at Chicago-Roseland, Ill.; J. H. Barnes, agent at Canton, O., made superintendent in that district.

R. R. Matthews

R. R. Matthews has resigned as supervisor of the Grand Forks, N. D., branch of the Occidental Life of Los Angeles to take charge of the northeastern division for the Capitol Life of Denver. That division comprises North Dakota, South Dakota and Montana. Mr. Matthews's offices will be in the Clifford building in Grand Forks.

G. H. Moore, H. V. Krick

H. J. Johnson, Pittsburgh general agent Penn Mutual Life, has advanced G. H. Moore and H. V. Krick to assistant agency managers.

Mr. Moore entered the life insurance business with the Connecticut Mutual in Pittsburgh as a personal producer. Later he joined the Penn Mutual agency as a field supervisor, which position he has held for the past two years. Mr. Krick entered life insurance about three and one-half years ago with the agency of which he is now connected. Both have made good records as personal producers and as field supervisors.

H. W. Rohan

H. W. Rohan, who has been connected with the New York Life in Cleveland for several years, has joined C. W. Ward & Associates, Cleveland general agents for the Columbus Mutual, Bank Savings Life, Bankers Reserve Life and the North American Life. Mr. Rohan entered the life insurance business four years ago through the influence of Mr. Ward, who was then also associated with the New York Life. He made the \$400,000 Club his first year and has always been a steady producer.

Occidental Life Appointments

The Occidental Life appointed C. T. Garvey general agent at Sheridan, Wyo., in charge of northern Wyoming, clearing through the Denver office. Other appointments are: W. P. Graham, general agent at Aberdeen, S. D., for northeastern South Dakota, clearing through the Grand Forks office; C. A. Kemnit, general agent, Billings, Mont., for south central Montana, clearing through Great Falls.

John H. Nelowet

John H. Nelowet, general agent of the Minnesota Mutual Life at Cleveland, has resigned. Mr. Nelowet is a public accountant and speaks Spanish fluently.

M. E. Weatherbee has been appointed supervisor of the central Ohio agency of the Massachusetts Mutual Life at Columbus, O., of which Fritz A. Lichtenberg is general agent. He will have charge of securing and training new agents.

AMONG COMPANY MEN

Appointments by Maccabees

G. A. Collard Named Manager for Rocky Mountain Division and T. A. Lynn for New Jersey

Guy A. Collard of Cleveland, until recently inspector of agencies for the Equitable Life of New York in western territory, has been appointed manager of the Rocky Mountain division for the Maccabees. He succeeds F. A. Kneeland, who has resigned because of illness. The Rocky Mountain division includes Colorado, Montana, Utah, Idaho, Arizona, New Mexico and Wyoming, with headquarters in Denver. T. A. Lynn is appointed agency man-

ager for New Jersey, a newly created office. He has been for many years supervisor for the Metropolitan Life in New Jersey. He will make his headquarters at Seabright.

Allen Is Agency Director

Loren Allen, Des Moines, has been named agency director of the Mutual Old Line, succeeding M. M. Deming. The announcement was made by D. E. Alldredge, president.

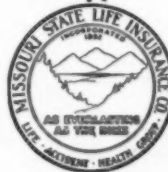
G. C. Daly Advanced

G. C. Daly has been appointed secretary of the medical department of the Canada Life and has taken over some of the former duties of W. J. Sheppard, who is now an assistant secretary.

Entering Its 40th Year

Prompt, efficient, result-getting service to representatives and policyholders explains the phenomenal growth of the Missouri State Life Insurance Company. Now entering its 40th year, the Company has become a nationwide institution, ranking among the leading Old Line, Legal Reserve Life Companies of America. For the live, aggressive Agent, the multiple line of Life, Accident & Health, Group and Salary Savings offered by this Company is a sure winner—it provides a contract to fit every life insurance need. Progressive Agents like the progressive methods of the Missouri State Life.

A Good Company to Represent



MISSOURI STATE LIFE INSURANCE COMPANY

HILLSMAN TAYLOR, President
ST. LOUIS

Life - Accident - Health - Group - Salary Savings



SOMETHING NEW THAT IS NEW IN LIFE INSURANCE

*A Dollar's worth for every Dollar paid
regardless of kind of policy purchased*

A \$1,000.00 Endowment Policy, any age at issue, guarantees \$1,961.54 plus Dividends in event policy becomes a claim the year it matures.

Our Twenty Payment most remarkable policy of all—too much to write about in this advertisement.

We have Ordinary with and without Cash accumulation. Without cash value it furnishes Pure Protection Life insurance at non-participating rates but on a participating basis—it is estimated dividends will amount to 50% within a few years, based on actual experience past five years.

Juvenile Policies—Ordinary, Twenty Payment and Endowment from birth, with all the fine features of our Adult Policies. Many other forms of Policies equally attractive.

Operating in Illinois, Michigan, Indiana and Missouri

INTERSTATE RESERVE LIFE INSURANCE COMPANY

A Mutual Legal Reserve Life Insurance Company
Ten East Pearson Street : : : Chicago

An UNUSUAL Contract

will be offered to

An UNUSUAL Man

WHO

- | | |
|--------------------------------|-------------------------------------|
| —is a producer | —will WORK |
| —is, of course, honest | —can organize |
| —has three years of experience | —needs no drawing account or salary |
| —needs no financing | —needs no office expense |
| —is seeking opportunity | |

BUT

WHO will accept Home Office help in the appointment of new Agents under him for whom he will not be responsible financially and yet on whom he will receive overwriting Commissions as high as \$4 per thousand and long time Renewals.

THE COMPANY—is rated "A" by Best. Its rates for Insurance are extremely low

(Age 35 Ordinary Life Net Cost
First year per thousand \$17.85)

It writes all latest forms—Participating only—including an improved Family Income form; also Juvenile. Has over \$135,000,000 in force.

TERRITORY—The Company desires especially to develop Indiana, Illinois, North Carolina and Texas.

ASSISTANCE—Experienced field men to help the man selected to build a real agency in which the Renewals are NON-FORFEITABLE.

WE WANT AN UNUSUAL MAN

UNLESS you have no present connection, or you have a real reason for leaving your present connection and are not at fault yourself, we are not interested. Write fully about yourself. We will not communicate with references until after interview. Write U-56, The National Underwriter.

NEWS OF THE COMPANIES

Monarch Companies Merge

Springfield, Mass., Life and Accident Carriers Consolidate Under Title Monarch Life

Stockholders of the Monarch Accident and Monarch Life, Springfield, Mass., have approved the recommendation to consolidate the companies under the title of the Monarch Life. The new Monarch Life will sell participating life insurance and non-participating accident. Heretofore the Monarch Life confined its writings to Masons and their families, but will now operate generally.

Assets of the new Monarch Life are estimated at \$2,600,000; surplus \$350,000 and capital \$455,000. Until the annual meeting Jan. 27, officers of the life company will act in similar positions for the new Monarch Life.

The new board of directors consist of C. W. Young, G. W. Gordon, W. E. Gilbert, C. E. Nay, H. L. Bowles, L. W. Garland, C. H. Munsell, F. A. Eldred and E. A. Carter.

Gem City Is Moving to W. Va.

Dayton Company's New Headquarters Charleston—To Change Title to Union National

CHARLESTON, W. VA., Dec. 31.—The Gem City Life of Dayton, Ohio, has purchased the Union building here and will move its general offices to Charleston, probably early in the spring. The directors have asked the stockholders to approve a change of name to the Union National Life.

Its removal will give Charleston two local life companies, the other being the George Washington Life.

Commissioner Lawson of West Virginia has approved the removal of headquarters. He has been to Dayton and made an investigation. Decision of the Gem City to transfer its home office, he said, is "complimentary to West Virginia and particularly to the Kanawha valley."

The annual meeting of the Gem City will be held here Jan. 27, at which time the change in title will be acted on. Mr. Lawson said he anticipates five or six Charleston men will be elected to the board.

The Gem City, which started in 1911, operates in Florida, Alabama, Ohio, District of Columbia, Georgia, Tennessee and West Virginia. Total assets as of Dec. 31, 1930, were \$2,385,272; capital \$265,110; surplus \$146,974; insurance in force \$31,208,147.

Two New Detroit Life Directors

H. J. Woodall and L. H. Charbonneau were elected to the board of directors of Detroit Life. Mr. Woodall has long been prominent in Michigan industrial circles and is at present president of the Woodall Industries Company. Mr. Charbonneau has been associated with the Detroit Life since January, 1931, as vice-president in charge of mortgage investments.

Liquidation Is Proposed

Stockholders of the Fidelity Life of Greensboro, N. C., were in session Thursday considering the proposal to liquidate and wind up the affairs of the company. The Fidelity Life, formerly of Spartanburg, S. C., is an industrial company which started in 1928 with \$25,000 paid capital and \$6,250 surplus. W. L. Carter is president.

The regular semi-annual dividend of 60 cents and the usual extra of 30 cents has been declared by the Pan-American Life.

Fight St. Louis Mutual Suit

Company Obtains Writ of Prohibition in Case Attacking Legality of Reorganization Procedure

The Missouri supreme court has issued a preliminary writ of prohibition preventing the circuit court at Clayton, Mo., from appointing a receiver for the St. Louis Mutual Life or otherwise proceeding with a case filed by A. M. Licht, holder of a \$1,000 policy in the company, until the supreme court has had the opportunity to conduct a hearing on the matter. The writ was issued on a petition filed by counsel for the St. Louis Mutual.

In his suit, filed at Clayton, Dec. 26, Licht questioned the validity of the reorganization in November and December, 1930, under which the company was to operate on both a stock and a mutual basis. He did not question the solvency of the company, which was formed in 1837 and has always been regarded as a very conservative and sound institution.

President F. H. Kreismann in discussing the suit states that the reorganization plan was approved by the Missouri department and the attorney general both before and after its ratification by two-thirds vote of the policyholders. "We have no fear whatever as to the outcome of the suit," he said.

Cosmopolitan, Chicago, Is Selling Bond-Stock Set-Up

The Cosmopolitan Life of Chicago is selling what is termed a "five year payment-ten year maturity bond without insurance benefits." The plan is to sell 2,000 of these bonds. H. E. Treleven, who assisted in similar undertaking for the Colorado Life, and who helped in the financing of the Odol and Maize-wood Companies, is in charge of the sale.

For the bonds of \$1,000 denomination, an annual payment of \$150 is made for five years. At the end of that time the bond holder will get ten shares of stock in the Cosmopolitan Life. The shares, which are of \$1 par value and, according to Cosmopolitan officials are now selling for \$10, are estimated in the sale of these bonds to be worth \$25 in five years. At the end of the tenth year, \$750 cash will be paid to the bondholder. Of the outstanding 100,000 shares the Cosmopolitan Life states that present owners are making available 20,000 shares, so that 2,000 bonds may be sold.

Coupons Are Attached

In addition, attached to the bonds are nine coupons, which entitle the owner to a bonus at the end of each year. The bonus is based upon insurance in force in the Cosmopolitan. The company, according to the coupon, will divide into 10,000 equal parts a portion of the company's surplus equal to \$2 for each \$1,000 of life insurance the company has in force at the end of the calendar year preceding the date the coupon is payable and one such part shall be payable as a bonus to the bondholder. Cosmopolitan officials estimate that these coupons will return between \$200 and \$300 to each bondholder in the nine years.

Cosmopolitan officials state that attempt is being made to place the bonds among people who will be interested in furthering the sale of insurance in the Cosmopolitan. Since the bonus to bondholders is measured by the amount of insurance in force, Cosmopolitan officials feel that bondholders will push the sale of insurance in the Cosmopolitan.

E. H. Burke is president of the Cos-

mopolitan, which recently reinsured the Sheridan Life of Chicago. J. M. Surdam is secretary and actuary.

Limit Capital Expansion

LOS ANGELES, Dec. 31.—According to President George I. Cochran, the Pacific Mutual Life probably will not issue rights to stockholders next year to subscribe to additional stock as has been done in the past three years. The company does not need the additional capital at the present time and market conditions are not favorable for such offerings, he added. This does not mean, however, that the company has dropped its original program to double the company's capital stock through stock offerings through a period of ten years, as the plan will be resumed as

soon as normal conditions again prevail, Mr. Cochran said.

Brandon Month's Results

A check on results of the "Brandon Month" campaign of the Columbus Mutual Life, shows an increase of \$1,300,000 in insurance produced over the same period a year ago. The campaign was conducted in honor of the 73d birthday of the company's founder, C. W. Brandon.

Increased Sales Recorded

Encouraging increases in life insurance sales have been recorded by some of the Great-West Life branches. Vancouver, Nova Scotia, Saskatoon, Michigan and Minnesota show an increase in production for November, 1931, over November, 1930.

LIFE COMPANY CONVENTIONS

General Agents to Gather

Organization Club of Mutual Trust Life to Hold Meeting at Home Office in Chicago

Development of better home office and agency spirit and a thorough understanding on both sides of the problems of the others are the objects of the general agents' educational conference to be held with officials of the Mutual Trust Life in Chicago, Jan. 13-15. The group is known as the "Organization Club."

The first day the general agents in company with department heads will be conducted through the home office, following an application from the time it is received in the mail until it turns into

a policy outward bound. The second and third days will be devoted to discussions of general agency functions and problems, such as recruiting, selecting, training and supervising men.

Bankers National Convention

The 1931 master producers of the Bankers National Life of Jersey City will hold their annual convention in Bermuda. The men will leave New York Jan. 26 on the S. S. Monarch.

Illinois Life's Home State Rally

The Green Signal Club of the Illinois Life, which is an Illinois home state organization, will have its annual meeting Feb. 13 at the Stevens hotel in Chicago.

ACCIDENT AND HEALTH FIELD

Accident Claim Ratio High

Companies Find That the Year Has Shown an Increasing Drain on Resources

The companies writing accident insurance in going over their returns for 1931 find that the claim ratio still continues high and in the aggregate will be more severe than it was in 1930. The Bureau of Personal Accident & Health Underwriters, which has been able to secure the consent of its company members for a revision in some of the policy provisions, expects to be able to put new policies into effect March 1. The date has been delayed from time to time but it is now expected that all companies can get their houses in order and prepare for the revised policy by that time.

Companies find that their principal sum claims have increased this year quite a bit. The automobile hazard is constantly increasing. Regardless of all safety education and traffic regulation accident frequency and severity mount upward. Companies that included automobile accidents in the double indemnity clause have suffered unusually. They did not charge enough for the extra hazard. Underwriters declare that double indemnity should not be paid for automobile accidents and the automobile should not be classed in the double indemnity list because no one at present can tell how much to charge for that particular hazard.

Federal Discontinues Series

The Federal Life of Chicago is discontinuing its series of guaranteed monthly income accident and disability policies, and also the funeral benefit supplement, effective Jan. 15.

Revision Work Is Going On

Pacific Mutual Life and Continental Casualty Are Readjusting Their Rates and Coverage

The Pacific Mutual Life, Continental Casualty and Continental Assurance have been working out a plan for coverage and rates on noncancellable health and accident policies so that there will not be the difference between the two offices as at present. The New York department has issued its new requirements on noncancellable reserves and this will delay the working out of the new rates for a month or so. Aside from the Pacific Mutual and the Continental companies the only other company writing noncancellable to any extent now is the Massachusetts Protective. Companies have had a disastrous experience with this form of insurance owing to its uncertainty. The Continental Casualty and its running mate, the Continental Assurance, will not write any further life income policies in their noncancellable department. These companies will put out an aggregate sum policy in three forms, running 25, 50 or 100 months. The maximum liability carried will be \$300 a month. However with this new program the noncancellable form policy will be open to a wider clientele.

Life Insurance Convention Book

The "Insurance Advocate," 206 Broadway, New York City, has gotten out the annual edition of the "Life Insurance Convention Year Book," which contains the best stuff that has come out in meetings of life insurance men during the year. It sells for \$3.50. It covers many life insurance subjects.

TOP-NOTCHERS

Bankers Life Salesmen Who Have Achieved Success
Through Consecutive Qualification in Our
Highest Honor Organization



A. G. HAUGE

COEUR D'ALENE, IDAHO

PRESIDENT'S PREMIER CLUB

1927 - 1928 - 1929 - 1930 - 1931

• • •

BANKERS LIFE COMPANY

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Des Moines, Iowa

Prescribe Exactly

No doctor would offer the same prescriptions to all of his patients. An agent too should be able to choose from a wide variety of contracts in order to make his economic prescriptions exact.

Fidelity Offers That Variety

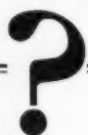
Policy forms to suit modern needs; Low Rate Life. Family Income and the famous "Income for Life" which Fidelity originated. Disability benefits — income and waiver of premium. Accidental death benefits. Back of its contracts is a record of more than half a century of fair dealing.

Send for booklet
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The FIDELITY MUTUAL LIFE
INSURANCE COMPANY
PHILADELPHIA

WALTER LEMAR TALBOT, President

Want To Manage One of Our Agencies?



We are starting on a huge expansion programme and will need managers to assist us.

Our managers' contract is a money maker!

It is profit sharing!

No pioneering, we are well known.

We help you get started, help you secure salesmen and help you train them.

The plain truth is, we do the things you have always wanted—and then some.

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R. L. ROBISON, President
W. G. PRESTON, Vice Pres.

Home Office: Omaha, Nebraska

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Omaha, Nebraska

Name

Address

Territory Desired.....

NU-12-31

GENERAL AGENCY NEWS

Managers' Meetings Topics

Ohio National Life Plans Conferences at Which Important Subjects Will Be Treated

The Ohio National is holding managers' meetings Dec. 29-30 at Detroit; Jan. 4-5 at Cincinnati; and Jan. 7-8 at Kansas City. These meetings will be attended by the home office officials and 12 or 15 managers at each point. The Ohio National will show a huge increase of business in 1931 and closes the year with over \$115,000,000 in force. During the year the company reinsured the American Old Line and the Omaha Life. The subjects discussed at the managers' meeting are:

Managers' Problems

- New underwriting problems.
- Recruiting to secure new agents to replace turnover and to provide for expansion.
- Eliminating the non-producer and disturber.
- The organizing program: 1. Training the new agent. 2. Training the established agent. 3. Putting into effect the work program.
- Conservation.

Solution of Problems

- The Training Program:
- The new agent's first six weeks.
 - The "Guidebook" and its place in the training program.
 - The sales talk and how to introduce it to the new man.
 - Agency meetings.
 - Time control.
 - Prospecting.
 - A year's program.
- The Manager's Place in the Training Program:
- Personal interviews with the agent.
 - Checking the agent's work.
 - Working in the field with the agent.
 - Instructing the agent.
- Recruiting:

- Getting in contact with prospective agents.
 - Getting information about the prospective agent.
 - The prospective agent's qualifications.
- Recruiting Sales Talk:
- The first interview: 1. Appraising the prospect. 2. Analyzing the business. 3. Selling the profession.
 - The second interview: 1. Getting the prospect's viewpoint. 2. Selling the company. 3. Selling the contract.
- The Conservation of Business:
- New problems of conservation.
 - Home office cooperation—field viewpoint.
 - Managers' conservation program.
- Home Office Cooperation in the Solution of Managers' Problems—Field Viewpoint:
- Keeping good will of agents.
 - Promoting company prestige.
 - Speeding up business.
- Field Cooperation in Solution of Managers' Problems—Home Office Viewpoint.

Stage All-Iowa Contest

Five general agencies of the Northwestern Mutual Life in Iowa participated in an "All-Iowa" contest in December with more than \$800,000 of business written the first 18 days.

The competition was carried on by the "inner circle" of counties, covered by the Hughes and Pickford general agencies, against the "outer circle" of Iowa, covered by the Garland, Garrett and Copeland agencies.

The two agencies in the inner circle, with 39 percent of the Iowa agents, 38.4 percent of the Iowa counties and a good portion of the insurables, either had to write more policies for each agent or larger average policies to win the contest.

Mielenz Agency Conference

The annual conference of the A. E. Mielenz agency of the Aetna Life will be held in Milwaukee Jan. 14-16.

AS SEEN FROM NEW YORK

JONES BACK FROM TRIP

W. E. Jones of the official staff of the National Association of Life Underwriters is back in New York, after a swing around the circle. He visited cities in the south and Kansas City, Des Moines and Chicago.

METROPOLITAN LIFE CONCERT

The Metropolitan Life Glee Club, a male chorus of more than 50, gave its fifty-sixth concert last week at the company's auditorium, with Lydia Van Gilder as the assisting soloist. The club gives two concerts a year and meets for practice once a week throughout the year. It was organized in 1909. The quality of the club's singing and its spirit of cooperation has frequently won the admiration of music critics.

GOES OUT WITH THE MEN

The assistant manager of one of the large New York City agencies makes it a practice to spend an entire day occasionally with various members of his full time force. He usually finds out a good deal as to just how well organized the agent in question is, for he gives no advance notice. He merely strolls over to the man's desk one morning and says, "I'm going with you today."

If the agent shows, as sometimes happens, that he has no plans whatever for the day and has no idea where he is going, the two get busy and make some plans, for this official makes it plain that it is going to be an all-day proposition.

"If you're going to sit on a park bench, I'll sit there with you," he tells the agent. "If you're going to the

movies, I'll go too. If you haven't mapped out any calls for today we'll sit down and work something out."

In many cases where agents are found to be disorganized in their work it is mostly that their morale needs building up. The agent usually doesn't know how to help himself. Sometimes their mentor finds it takes more than a single day to bring their morale back to par. In one case it took three weeks.

The change in mental outlook can be noted not only in the agent but in the prospect. This agency executive called with an agent on a prospect to whom the agent had sold a policy but who would not accept it when delivered. They found their prospect cordial and surprised at the improvement in the agent's attitude.

"What's come over you since you were in here before?" he asked. "You were licked, and I couldn't buy from a licked man. That's the reason I would not take the policy. But you can bring that policy around now and what's more I'll give you a check right now for it."

NO SANTA CLAUS IN SIGHT

"Qualifying" prospects before using up valuable time in calling on them is one of the most effective ways of offsetting the effects of the depression, according to an agency official of one of the large companies who has just returned from an extensive tour of southern agencies. He expressed his admiration for the way in which agents have organized themselves to combat conditions which are undeniably bad.

"The agents have given up the idea that there is any Santa Claus," he said.

ACTUARIES

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Life Insurance Accountants
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Phone Franklin 8558

INDIANA

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HARRY C. MARVIN

Consulting Actuary
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ALEXANDER C. GOOD

Consulting Actuary
807 Paul Brown Building, St. Louis
and
800 Securities Building, Kansas City

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Disability Insurance

YOU will find a wealth of suggestions in J. B. Sackett's A. B. C. of Disability Insurance. 125 pages. Price \$1.

Order from
The National Underwriter
175 W. Jackson Blvd.,
Chicago

"They know that they are going to have to do twice as much work to do half as much business as they did in 1931. They know they have to work as intelligently as possible to do even that much."

"Talk about conditions being bad up here. You just haven't any idea how bad things can really be. Down there in some sections many people haven't the facilities for cashing a check. When they say they haven't any money to put into life insurance, it isn't just a stall to get rid of the agent. Agents have learned to find out who has money and who hasn't."

FEDERAL REFUNDS GIVEN

Refunds to life companies were among the largest items in the federal government's list of taxpayers to whom such payments were due. The Metropolitan Life gets a return of \$867,927, with the New York Life a close second to it with \$843,926. Other life companies to receive refunds are the Equitable Life of New York, \$276,505; Life Insurance Company of Virginia, \$320,245; Travelers, \$216,871; Midland Mutual Life, \$44,183; Reserve Loan Life, \$24,100; Columbian National Life, \$10,937; American National of Galveston, \$15,490; Home Life of Washington, D. C., \$16,479.

All these refunds were made in the year ending June, 1931. Most of them were based on what is generally known as the National Life of Vermont case. This was an appeal by that company from an inconsistency in the law which would have had the effect of taxing tax-exempt securities.

AVIATION BOOKLET GIVEN

Johnson & Higgins, New York City general agents of the Prudential and Home Life of New York at 67 Wall street, have issued its very complete booklet containing the aviation underwriting rules of 31 of the major life companies. General information is given in the first part of the booklet, including a list of states having laws restricting the use of aviation riders, and what kinds of riders are excluded. It also gives the answers of each of the companies to questions as to the use of aviation riders, whether it applies to fare-paying passengers, whether certain classes are given the option of accepting it or paying an extra premium, and whether the double indemnity clause covers fare-paying passengers on scheduled lines.

Then, instead of taking up rules and regulations by companies, they are given classes of risks, with the probable action of each company listed for each group. These groups are (1) fare-paying passengers occasionally using planes on business trips but only on established air lines; (2) employees or executives using a company-owned plane as a time-saving means of travel; (3) plane-owners having licensed pilots to operate their machines; (4) applicants owning and operating a plane principally for pleasure; (5) non-owners who occasionally fly with friends for pleasure; (6) regular army, navy and marine corps pilots; (7) reserve officer and national guard pilots; (8) civilian pilots; (9) stewards and wireless operators.

Johnson & Higgins are distributing these booklets gratis. About 10,000 are being sent out from their New York office and another 10,000 from various other offices of the company. Along with the aviation booklet goes a novel new year's greeting devised by Manager G. A. Eubank which "graphically" portrays the office's best wishes to its friends.

NEW YORK CITY RETURNS

Most of the larger New York City general agencies will show a decline in the year's business as compared with 1930, according to preliminary figures furnished by a number of representative offices. It must be remembered, however, that the first few months of 1930 were more favorable for the life business than any previous period, and this

fact must be taken into consideration in making a fair comparison between 1931 and 1930.

As was the case last year, the J. S. Myrick office of the Mutual Life of New York is in the lead with about \$35,000,000 of paid-for business. Mr. Myrick's total for 1930 was \$41,700,000. The C. B. Knight agency of the Union Central will pay for between \$33,000,000 and \$34,000,000 as compared with about \$35,000,000 last year.

The life department of Johnson & Higgins, of which G. E. Eubank is manager, shows a substantial gain over 1930, with about \$26,375,000 as compared with \$23,741,000. Johnson & Higgins are general agents for the Prudential and for the Home Life of New York. A remarkably large increase was made by the Kakoyannis agency of the Prudential, with a total for 1931 of about \$21,000,000 as compared with a 1930 total of \$13,250,000.

Agencies Show Increases

The J. A. McNulty agency of the Prudential increased its paid-for figure from \$8,600,000 in 1930 to about \$14,000,000 in 1931. The Keane-Patterson agency of the Massachusetts Mutual will show an almost exact duplication of its 1930 paid-for record, which was \$18,759,000. The P. R. Garrison agency of the Prudential will pay for about \$22,000,000, almost equalling its 1930 figure of \$23,606,000.

Other estimates for 1931 production include the following representative agencies: R. H. Keffer, Aetna Life, \$26,000,000 as against about \$34,000,000 for 1930; C. E. DeLong, Mutual Benefit, \$24,000,000 as against \$31,500,000; J. E. Hall, Penn Mutual, \$19,500,000 as against \$27,474,000; Goulden, Woodward, Cook & Gudeon, Connecticut General, \$18,000,000 as against \$22,000,000; J. C. McNamara, Guardian Life, \$19,000,000 as against \$24,891,000; J. M. Fraser, Connecticut Mutual, \$18,000,000 as against \$22,370,000.

CHICAGO NEWS

NORTHWESTERN COURSES START

Northwestern University will start its course of eight lectures on salesmanship and psychology of sales Jan. 12, conducted by Dr. Stevens. Classes will be held in Wieboldt Hall, McKinlock Campus, Tuesdays and Friday, from 5 to 7 p.m. From Feb. 9 to March 18, the entire section on economics will be covered in 12 lectures; then, from March 29 to April 29, the section on life insurance law, wills, trusts and estates will be given in ten lectures. On May 3, the last section covering corporation finance, banking, credit and investments will be conducted. The fee for each section is \$10. C. L. U. students may enroll in any one or all of the courses.

DAVIS AIDS ZITZMANN

N. F. Davis, Jr., assistant superintendent of agencies of the Guardian Life, is in Chicago helping M. A. Zitzmann, the newly appointed manager there, to get started. Mr. Zitzmann was formerly manager for the Missouri State Life in Chicago. He has already put several men under contract for the Guardian Life at the 100 North La Salle street office.

CONTINENTAL ASSURANCE REPORTS

The Continental Assurance of Chicago had an excellent year despite conditions, President H. A. Behrens reports. "At the close of business on Dec. 31 the Continental will show an increase in insurance in force, and what is more astounding will close the year without a decrease in surplus," he says. "Unquestionably this record will be outstanding in this unprecedented year. This achievement is made possible only through the loyal cooperation of our field force."



In Any Emergency

In a normal business lifetime every man meets at least three periods of emergency, variously described as economic convulsions, business depressions, or panics. Whatever the cause, these emergency periods apparently occur once in about eight years, causing the premature economic death of many persons. Depressions come with the appalling certainty of the one great emergency which prudent men have long met through life insurance. Sound business demands that emergencies be met through a fund that is at once safe, immediately available, and low in cost. Meeting emergencies is but one of the functions which Mutual Benefit policy contracts daily perform.

The Mutual Benefit Life Insurance Co.

Newark, N. J.

..modern life insurance since 1845..



Good Care Assured If Accidentally Injured

Sufficient cash to pay for adequate care promotes quick and complete recovery in event of accidental injury.

Our new reimbursement contracts pay all expenses up to a definite and sufficient amount besides lump sum benefits for loss of limbs or sight. Death benefit and weekly indemnity also included.

For advertising, rates, etc., call our local office or write

**Connecticut General
Life Insurance Company**
Hartford, Conn.

A CONTRIBUTION to the Times

Uncertainty of income in the next year or two restrains many from obligating themselves to pay a fixed annual premium on an investment type of contract. To meet this situation we have begun to issue a Retirement Income policy that permits of a variable premium.

It is an Annuity. This year the taker's first premium pays in full for a definite amount of income to begin at retirement time. Next year he may buy outright, with such a sum as he pleases, another piece of income to begin at retirement time. The following year he may skip or he may buy outright again, as his circumstances or inclination dictate. And so on. Bit by bit he builds his income to its desired total. And he does it within this single contract, instead of each year taking a new and separate document.

Life insurance serves so adequately because it is watchful to meet the needs of the people.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

Philadelphia

THE FORMULA OF SUCCESS

LIFE INSURANCE can be explained in plain, everyday language. The facts can be simply stated. People need to be told about life insurance by one who knows life insurance and its adaptability. Salesmen of integrity, ability and courage who will work systematically and plainly state the facts of life insurance service will be Masters of their craft and successful.

THE MUTUAL LIFE OF NEW YORK, with its long history of increasing success, offers opportunity. It writes Annuities and all Standard forms of life insurance. Double Indemnity Benefits. It has many practices to broaden and expedite service for Field Representatives and for Policyholders.

Those contemplating engaging in life insurance field work as a career of broad service and personal achievement are invited to apply to

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Retirement Income
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A policy to fit every life insurance need.

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NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively
PRICE, \$5.00 and \$2.00 respectively.

Mutual Benefit's New Annuity

Retirement Income Bond to Be Issued Soon Will Have Many Attractive Features

The Mutual Benefit is preparing to issue a deferred annuity contract with cash surrender values during the deferred period to be known as "retirement income bond."

The contract will pay a deferred monthly income, beginning on the anniversary of the bond nearest to age 60, 65 or 70, depending on the choice of the insured, and continuing throughout the lifetime of the annuitant.

Cash surrender value is provided on surrender of the bond on any anniversary not later than the retirement date. It will pay the cash surrender value at death during deferred period. There is no death benefit except the proportional income instalment from the date of the last instalment to the date of death in the event of the annuitant's death after the annuity is entered upon.

In Event of Default

In the event of default in premium payments the cash surrender value as of the date of default, if not withdrawn, will be accumulated at compound interest at a rate that may be determined by the directors, to the retirement date

when the accumulation shall be applied to purchase of monthly income on the life of the annuitant at a rate specified in the contract.

If the annuitant desires, the cash surrender value may be applied at any time at least one year prior to the retirement date but not earlier than age 50 to purchase a monthly income beginning at the date of such purchase, at a rate based upon the nearest age at date of purchase as specified in the contract. Monthly income cannot be deferred to a later anniversary than that originally selected and specified in the bond as the retirement date.

The policy will participate in surplus during the deferred period but not thereafter. Dividends may be applied in payment of premiums or deposited to accumulate interest or may be withdrawn in cash. If allowed to accumulate to the end of the deferred period they may be applied at the retirement date to purchase an additional monthly income at a rate which is specified in the contract and which depends upon the nearest age at the retirement date.

National of Vermont

The National Life of Vermont now is issuing an aviation rider excluding from coverage liability if the assured dies as the result of aviation operations. In such a case the reserve is returned to the beneficiary.

NEWS OF LIFE ASSOCIATIONS

Life-Trust Club Organized

Cleveland Interests Join Hands for More Intensive Study of Prob- lems of Mutual Concern

CLEVELAND, Dec. 31.—The Life Underwriters & Trust Officers Club of Cleveland has been organized, the object being "to promote the mutual understanding of the purposes, practices and ethics involved in life underwriting and the trusteeship functions of banks."

The club plans a series of educational meetings, whereby the trust officers will become more familiar with the practices and purposes of life underwriting and the life underwriter will have the opportunity to more thoroughly understand the trusteeship functions of banks.

Officers elected are: Chairman, Harold Pearce, manager Guardian Life; vice-chairman, R. J. Izant, Central United National Bank; chairman program committee, F. N. Winkler, Mutual Benefit Life; chairman membership committee and treasurer, G. H. Culver, Union Trust Co.; secretary, G. H. Thobaben, managing director Cleveland Life Underwriters. The controlling body will be the executive committee, which includes the officers and E. W. Brailey, New England Mutual Life.

Membership will be limited to members of the Cleveland Life Underwriters Association and representatives of banks exercising trust powers. The first meeting will probably be held the latter part of January.

Birmingham, Ala.—The Birmingham association reports 35 applications for membership received at the last meeting, which was addressed by T. M. Riehle, third vice-president National association, and attended by more than 200 underwriters. With plans for a sales conference in January that is expected to attract from 300 to 500 insurance men and nationally known speakers scheduled for the February and March ses-

sions, W. S. Owens, membership chairman, says the association will soon have 200 members. The membership at the beginning of 1931 was only 50.

St. Paul—Arthur Devine, Prudential, is the 1932 president of the St. Paul association. Other officers chosen at the annual meeting were O. G. Holmer, State Mutual, and Harlan Walker, Travelers, vice-presidents; Paul R. Bowen, Equitable Life of Iowa, secretary-treasurer.

New directors are G. M. Groff, Equitable of Iowa; H. B. Victor, Minnesota Mutual Life; S. D. Krueger, Equitable of New York; W. M. Becker, Massachusetts Mutual, and G. A. Satten, Mutual Life of New York.

Omaha—R. J. Wetzel, general agent Pacific Mutual Life at Kansas City, Mo., gave a talk before the Omaha association on "Life Insurance as an Investment."

New York City—Dr. S. S. Huebner of the University of Pennsylvania will be the stellar attraction for "Policyholders' Night" of the New York City association Jan. 14. His subject will be "Life Insurance, the Great Financial Emergency Safeguard."

Sioux City, Ia.—John Sherk was guest speaker at the December meeting of the Sioux City association. The meeting formulated plans for a study group at Morningside College to work the next two years toward the C. L. U. degree. Mr. Sherk is one of four Iowa men who held that degree, and told his experiences in preparing for the examinations, which he took in June, 1930, and 1931.

Davenport, Ia.—Present business conditions call for stout-hearted courage, members of the Davenport association were told by J. T. Gallagher, assistant claims superintendent of the Northwestern Mutual Life, at a dinner meeting with about 70 present. H. C. Hall was chairman.

At the annual meeting of the Edmon-ton, Can., Life Underwriters' Association, E. L. Churchill of the Great-West Life was elected president.

Cleveland—The Cleveland association has elected officers as follows: President, R. B. Coolidge, Aetna Life; first

vice-president, C. W. Hippard, North-western Mutual Life; second vice-president, E. W. Bailey, New England Mutual Life; treasurer, A. I. Hardy, Metropolitan Life; directors, D. C. Dickson and J. Phipps. The speaker at the meeting was Karl G. Gumm, agency supervisor of the National Life of Vermont.

The new officers will be installed at the next meeting, Jan. 8. The guest of honor and speaker will be Paul F. Clark, general agent of the John Hancock Mutual Life in Boston and past president of the National association.

* * *

Pine Bluff, Ark.—At the December meeting of the Pine Bluff association J. J. Harrison of Little Rock, state manager of the Union Central Life, was the speaker. Former Vice-President T. R. Marshall declared that "what this country needs is a good 5 cent cigar." Mr. Harrison declared that the country now needs "Five percent wisdom, 5 yard line courage and \$5 sympathy."

He defined "Five Percent Wisdom" as a willingness the investing public needs in investing in security with a reasonable earning power rather than in insecurity with risk.

"But in addition to wisdom in investment, we need courage," Mr. Harrison said, "the type of courage that is symbolized by the football team making a desperate stand against the enemy on the five-yard line."

"Then we need five dollar sympathy, or that kind of sympathy that will reach down in our pockets and find money to share with our less fortunate fellows."

* * *

York, Pa.—C. C. Clabaugh, agency head Maryland Life, will address the York association Jan. 6 on "Salesmanship and Personality."

* * *

Akron, O.—H. E. Blythe, assistant to president of the Goodyear Tire & Rubber Co., addressed the Akron association on "The Business Outlook for 1932." He produced evidence about previous depressions, indicating that the present period of adversity is little different from others that have gone before and it is folly to believe that the country has been dealt an irrecoverable blow.

* * *

Gulfport, Miss.—F. E. Cottrell of Gulfport has been elected president of the Mississippi Coast association. E. M. Davis is vice-president, and Warren Jackson secretary. T. N. Lightsey, J. R. Mozingo, Roy Anderson and C. A. Gallo-way, together with the officers, compose the board of directors. The coast association has accepted an invitation to meet with the Mobile association Jan. 25.

* * *

Kalamazoo, Mich.—Ray Johnson, general agent American Life of Detroit, was elected president of the Kalamazoo association at the annual meeting. He served as secretary last year.

Other officers elected are John C. MacLeod, John Hancock, vice-president, and Scott W. Field, secretary-treasurer. M. H. Martin, Canada Life, was added to the executive committee.

Hugh E. Van de Walker, Michigan supervisor of the American Life, who recently retired as president of the Detroit association, talked on "Life Insurance as an Investment."

* * *

Ashland, Ky.—"Life insurance is the greatest stabilizing influence we have left in this country and it is the only factor that is at the same practical level this year as it was in boom times," said George A. Adsit, field manager, John Hancock Mutual Life, before the Ashland association last week. "The present is merely the morning after with its headache that follows any excess in life," Mr. Adsit declared, "and it is bound to pass."

* * *

Boston—The Boston association has appointed Albert Lythgoe, Newton, Mass., executive secretary to succeed Dorr Viele, resigned.

Mr. Lythgoe is a graduate of the Boston University and was once connected with the Boston office of The National Underwriter. More recently he has been arranging programs for the National Broadcasting Company in the New York office.

* * *

Philadelphia—National life insurance day, Jan. 21, falls on the date of the regular January meeting of the Philadelphia association. Dr. S. S. Huebner, a member of the national committee on national life insurance day, will address the Philadelphia meeting. His talk will

not deal solely with life insurance. It will be a message to the American public on insurance in general.

Every member has been pledged to bring a policyholder to the meeting. It is estimated that close to 1,000 persons will be present. Radio station WPEN has offered the association to broadcast, free of charge, the address of Dr. Huebner.

Disability Retreat Continues Briskly

(CONTINUED FROM PAGE 1)

only in case the insured is totally and permanently disabled for six months and such disability occurs prior to age 60; final approval of claim also to include refund of premiums paid during the six months' waiting period; 2. providing for waiver of premium and payment of income disability of \$5 per month per \$1,000, provided insured has been totally and permanently disabled for six months and such disability occurred prior to age 55; no income payments made for six months' waiting period but on approval of claims any premiums paid during this period will be refunded; 3. providing for waiver of premium and payment of income disability of \$10 per month per \$1,000, provided insured has been totally and permanently disabled for a year and such disability occurred prior to age 55; no income payments made for the year's waiting period, but refund of premiums allowed for this period.

Women Are Ineligible

The company will not grant disability benefits to women after Feb. 1.

The Life & Casualty of Chicago will discontinue income disability Jan. 15 but will continue waiver of premium under the same conditions and rates as in the past.

The Lutheran Brotherhood of Minnesota also is discontinuing income disability but continues waiver of premium at increased rates, as, for example, at age 35, ordinary life, \$1.06; 20-pay life, 82 cents; special 20-pay, \$1.20.

The Old Line Life of Milwaukee continues disability income.

Provident Mutual Restrictions

The Provident Mutual's recent announcement that it was continuing disability income on a restricted basis is supplemented by the news that it is setting maximum age limit for men at 50 years; limiting women to premium waiver only, with maximum age limit 45; setting a \$750 per month limit for all disability income, including all companies. The income is not to exceed \$100 per month on five-year term.

The Victory of Illinois discontinues disability income and waiver and also double indemnity.

The People's Life of Frankfort, Ind., has increased rates for waiver of premium, effective Jan. 1. The new rates at age 35 are: Endowment at \$5, \$1.02; 20-pay endowment at \$5, 84 cents; endowment at \$5, \$1.14; 20-pay endowment at \$5, 96 cents. The income disability clause is being discontinued.

Volunteer State Continues

The Volunteer State is continuing both disability income and waiver, but, effective Jan. 1, is reducing the income from \$10 per \$1,000 to \$5, and raising waiting period to six months. Rates will be based on class III experience, with rate of disability increased by 65 percent to age 45 and a larger increase thereafter. Claims will be dated back not more than six months.

The income benefit will not be issued with any policy having a smaller face amount than \$5,000. Benefits will be payable only for disability occurring before age 55. Women will be accepted only for the waiver benefit, and at a rate double that for men.

The George Washington Life, as of Jan. 1, is discontinuing disability income and modifying the waiver of premium clause. The new waiver is issued to men only between ages 15 and 55, and to women 20 to 50, both on medical and

Your Active Partner---

Jefferson Standard Contracts are direct with the Company. This Company is the active partner of every representative in the Field.

Our representatives enjoy this working partnership that supports their efforts with efficient cooperation.

We perform our part in the partnership by supplying our representatives with liberal working contracts, up to date policies, modern sales helps and methods, a fine institutional standing, and excellent policyholder treatment.

Our representatives profit from full advantage of this partner-like interest, cooperation, and support. . . A good Company to be connected with.

●For information address:

A. R. Perkins, Agency Manager



Home Office

JEFFERSON STANDARD LIFE INSURANCE COMPANY

JULIAN PRICE, President

Greensboro, North Carolina

TWENTY-FIVE YEARS OF SERVICE

1932

SPARTA—rearing her young sons under the iron hardships of famine, exposure, and violent physical suffering in order to produce soldiers who could stoically withstand injury, pain, and the wasting ravages of hunger and thirst that struck down their less-hardened opponents—what a mother of Titans!

America—now emerging from the painful yet purging economic punishments of 1930 and 1931, cleansing fires that literally drove business into more shrewdly calculating management that wrings the last penny of profit from every dollar invested, and a citizenry schooled to the wisdom of true thrift with the fruits of employment—what a land of opportunity for courageous men and women!

1932 extends a promise that, unlike the prophecies of other years, is pledged to sound progress and lasting profit because the foundations upon which workers will build is of the solidity of rock—not the treacherous sand of an ephemeral prosperity.

**AMERICAN
CENTRAL
LIFE
INSURANCE COMPANY**
Indianapolis

Organized Operating

The Guardian Fieldman is equipped with organized visual presentations of proved selling power to satisfy the demands of today's life insurance estate builders.

The \$1-a-Week Plan, the Family Income Presentation, the Estate Digest, and the Special Income Annuity Presentation are only a few features of the tangible cooperation between the Guardian Home Office and the Field.

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ESTABLISHED 1860
INSURANCE COMPANY of AMERICA
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General Agent Contracts
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PHILADELPHIA LIFE INSURANCE COMPANY

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Can You Picture Your Kiddies

In rompers—outdoors—sunshine amid gorgeous flowers all-year-round? Abundance of fresh fruits and vegetables at your door—friendly neighbors—nice people—American—splendid schools? This is life in any part of Northern California.

Would you like to live in a bungalow smothered in flowers and work in this all-year-round outdoors country?

For particulars address:

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Etna Life Insurance Company
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San Francisco, California



**Scovell, Wellington
and Company**

ACCOUNTANTS—ENGINEERS
10 East 40th Street, New York

Boston Springfield Syracuse Kansas City
Philadelphia Cleveland San Francisco

non-medical applications, and on all plans except term. Rates for females are double those for males and issuance is limited to single women and widows in business. Only disability occurring before age 60 in men and 55 in women is covered. Waiting period is six months. Illustrative rates per \$10,000 on male lives, on the more popular forms at five-year periods, are:

Age	O. L.	20- Pay.	30- Pay.	20- End.	30- End.	40- End.	50- End.	60- End.
15	4.00	3.40	3.30	6.70	4.90	5.10		
20	4.90	4.00	4.00	7.50	6.00	6.10		
25	5.80	4.60	4.90	8.40	7.30	7.30		
30	7.30	5.70	6.40	9.70	9.10	9.30		
35	9.30	7.50	8.80	12.10	12.00	12.10		
40	12.40	10.80	12.30	16.50	16.50	16.80		
45	17.70	17.10	17.70	24.10	23.10	24.10		
50	27.50	28.00		36.60	36.30	38.50		
55	43.90	45.10		64.90		65.10		

Economists Study Common Stocks

(CONTINUED FROM PAGE 1)

companies' portfolios, it was declared by Robert Reigel of the University of Buffalo. While the increase in such investments during the past three years has been considerable in absolute amount, it forms as yet less than 3 percent of the admitted assets of the life companies, he said.

In the last ten weeks of 1929 the stock market crash imposed on life companies a burden of \$143,000,000 in policy loans in addition to the amount normally required, and the increase this year was \$427,000,000, he pointed out.

These loans are not primarily a phenomena of business depression, he explained, and they are now relatively no more important than in 1914. The added demand of the past two years was covered by funds ordinarily used in other assets, without the sacrifice of securities or mortgages, he explained.

Mortensen Wants True Statements

(CONTINUED FROM PAGE 3)

ules. They no doubt have an undeniable right to do that irrespective of any suggestions from a commissioner."

Mr. Mortensen said he differs with the stand of the National Convention of Insurance Commissioners in arbitrarily declaring a moratorium on values subsequent to a given date.

Attempting to supply the companies with a standard or key to valuation is a dangerous precedent, he said. "It is wrong in principle and will prove unsound in practice. If such a procedure is within the power of a commissioner at any time he may consider an emergency exists, he can then, either upon his own motion or at the solicitation of companies, on one pretext or another, find excuse for adjusting the book values of their securities to serve the end sought, regardless of their true financial condition. I believe it would be well to keep the door closed to any such temptation. Let the figures reflect the actual values, avoid misrepresentation and save ourselves from the criticism of deception."

Hanson for June 30

Superintendent Hanson of Illinois has announced that he will accept June 30 valuations, which will be shown in Poor's Manual for 1931 compiled in accordance with instructions from the National Convention of Insurance Commissioners.

The Virginia corporation commission has ruled that average market quotations may be used in accordance with the resolution of the National Convention of Insurance Commissioners or Dec. 31 figures at the companies' discretion. All companies will be required to state the basis of valuation used. Right is reserved to require actual market quotations as of Dec. 31 when circumstances appear to render such a course advisable. In the case of bonds

Brown Finds "C. L. U." Is Profitable to Graduates

Practical application of the varied information on technical life insurance subjects and general business and legal procedure gained through C. L. U. study, already has proved profitable to many holders of the designation, according to Gerard S. Brown, president National chapter of C. L. U.

Mr. Brown, member of the A. E. Patterson general agency Penn Mutual in Chicago, this week said study of the records of a large proportion of members of the Chicago C. L. U. chapter shows on the average in the last three years since getting their degree they have increased their production approximately 40 percent.

Exact records of their accomplishment are lacking, but it is significant that 25 of the Chicago C. L. U. in the last two years have averaged about \$750,000 annually of paid business, according to S. A. Cushman, president of the Chicago chapter, of the life department of Moore, Case, Lyman & Hubbard.

Mr. Cushman is not so certain as to the immediate benefits derivable from C. L. U. work. He said comparisons are difficult and do not tell the whole picture. Many men and women who already have become highly successful without the designation have taken the work and received their degrees.

Mr. Cushman believes agents should not look upon the C. L. U. degree as a means of increasing their earnings, but merely as essential preparation for taking their rightful place in the business and giving the highest type of service possible. He believes, however, that if this conception is maintained, financial advantages will accrue in time.

and other evidence of debt having a fixed term and rate held by insurance companies or fraternal benefit companies authorized to do business in Virginia, they may if amply secured and not in default as to principal and interest be valued as provided in section 4246A of the code.

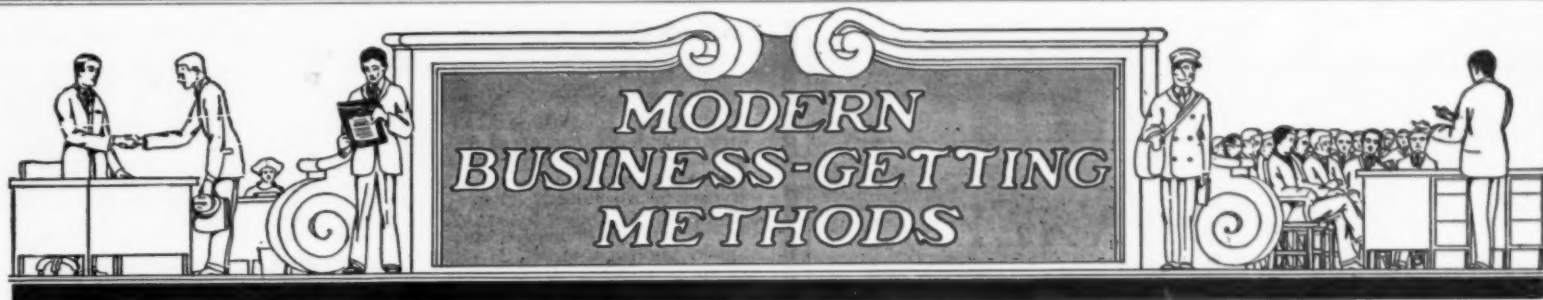
Black Killed in Crash

Daniel L. Black, supervisor of the group department of the Detroit branch of the Equitable Life of New York, was instantly killed and his wife and brother were seriously injured in an automobile accident near St. Thomas, Ont. Mr. Black's car, driven by his brother, crashed into another machine and Mr. Black, who was riding alone in the rear seat, was thrown through the windshield to the pavement.

Mr. Black was 30 years of age and had been associated with the Detroit branch of the Equitable under Manager Robert M. Ryan for the past six years. For the past year and a half he had been supervisor of the group department.

Conservation and Reclamation Life Insurance

The Otis Hann Co.
JACK ROBERTS HANN, Pres.
333
NORTH MICHIGAN AVE
CHICAGO



Sale of Annuities Is Urged by Theodore M. Riehle in Talk to Cincinnati Life Underwriters

T. M. Riehle, associate general agent in New York City for the Equitable of New York and third vice-president of the National Association of Life Underwriters, spoke on "Cardinal Principles" at the meeting of the Cincinnati Life Underwriters Association.

"Mental attitude," Mr. Riehle said, "is more important than mental capacity. Your mental attitude toward life insurance, your willingness to work, and your courage—the ability to take it on the chin and come back for more—is 85 percent of success.

"You can not succeed unless you religiously follow a prospecting system. Oliver Thurman says that no man has a right to succeed unless he is willing to do those things known to produce success. And there are certain methods of prospecting known to produce success.

"I use a little introduction card. Clay Hamlin uses it." (Illustrated in the section on "Prospecting" in the "Diamond Life Bulletins.")

Endless Chain Method Religiously Followed

"We religiously follow the endless chain and center of influence system. Ask every client: 'Do you know any man who is making as much as, or more than, he did a year ago?' I am told that a prospect is a person who can pay, has a need, can pass and is of my type. I'll take a chance on everything except money. If he can't pass I'll sell him an annuity. I haven't found anyone yet who didn't have a need.

"The planned referencing method of prospecting is greatly neglected. Stop shuffling the deck. Eliminate dead prospects. If necessary, establish new centers of influence and always meet more new people.

"The income method of prospect classification I believe to be best. In our agency, \$3,000 income is the minimum limit.

"The man you have just sold is your best prospect. Don't under-estimate his ability to buy, even now.

Goes Back to Prospect Just Sold; Gets More

"One of our men came in with a \$2,400 premium, and then started looking around for another good prospect. We sent him back to his policyholder and he came back with \$600 more.

"Having done our prospecting, we are now ready for the interview. Don't turn the doorknob unless you have a very definite objective. If you haven't a complete, organized sales talk, at a minimum have a prepared approach and then, just before you go in, close your eyes and think for a minute as to precisely what you wish to accomplish.

"My objective—what I am there for—is:

"1. To get my prospect examined if possible. The selling of the examination is the greatest, single, action-getting, motivating idea in the business. When I deliver a contract, the prospect must tell me why he will not buy it,

whereas, before that, I've got to tell him why he should buy it.

"2. Get his policies for an intelligent, honest audit. You just can't cast your bread upon the waters without it coming back buttered. Get the date of birth and other general information as a minimum, setting the date for a call-back. I am perfectly astonished to have men come back after an interview and not even have the date of birth. It's dumb.

"3. I always shoot for a close very early in the interview, especially on old clients. My immediate objective is the examination. Some men say they deliver some business on 90 percent of examined business; others say 75 percent. I'll settle for 60 percent and make some money.

"Always, this is the objective in selling business insurance. I lay the contract on the desk and shut up. I've been paid a lot of money to listen.

"Remember that you are stronger on your first interview and even if you don't get what you want, the worst that will happen is that you will get an even break. The 'no' is always shouted and the 'yes' is only whispered. The only difference between selling now and four years ago is that then I made him say 'no' four times; now I make him say 'no' eight times.

"I always try to get the prospect to do most of the talking and I never interrupt unless he tells me how much insurance he carries and then (I admit I'm a poor salesman to interrupt) but

I must tell him that he 'carries' fire insurance; he owns life insurance.

"Did you ever really dig for annuity leads? I believe the annuity business is just in its infancy. How appealing it is to approach:

"I presume you have taken care of your family, John—this is for you."

"If they can't pass—sell them an annuity. If they're too old—sell them an annuity. If they have all the life insurance they want—sell them annuity."

"I called on a man who was broke and had all the insurance he wanted, and yet, a few months later, he bought \$30,000, twenty-year endowment for his son, age 15.

"The largest premium I ever wrote was for \$93,000 on a man aged 63. He had no other insurance. The largest amount I ever wrote was for \$2,500,000 on a man aged 48. He had no other insurance.

Older Men Are Called Upon Less by Salesmen

"I believe that a young man can sell older men if he knows his stuff, and when men have reached the age of 50 they know what it's all about; they have money if they are ever going to have it, and the chances are they're called upon less by other salesmen and younger men.

"Women are now insured for about 5 percent of the present volume in force, but they own about 40 percent of America's wealth. Can you think of a better list of prospects than customers of a bond house? Forty percent of those customers are women. One of my best cases was a sale to a woman, age 60, for her daughter.

"Use your renewals to provide for your own economic security; your own financial independence. Save your renewals religiously, and you will be

(CONTINUED ON NEXT PAGE)

Warn Against Policy in Safe Deposit

The prevalent habit of keeping policies in safe deposit boxes may cause great inconvenience and even actual want. There are conditions which may arise under which the policy actually must be produced, and the many bank failures have brought to light the fact that quite frequently safe deposit boxes and vaults are closed so that the policies temporarily cannot be taken out.

It appears that this is an almost universal practice when a bank fails. The receiver immediately secures a court order for the sealing of all boxes. As a rule this condition lasts only a week or ten days, but in the meantime great harm may be done policyholders.

Advise Against Practice

Insurance men point out that the policy contract itself has little if any intrinsic value which would require placing it in a safe deposit box. Nor is there any difficulty, in case the policy is lost or destroyed, in certifying to the insurance company as to this fact and obtaining a duplicate policy, or in case of a loss actually recovering indemnity.

The hazards of keeping policies in safe deposit boxes are greatest in case of life insurance. One great Chicago life agency bases one of its cold canvasses largely on the suggestion that policies should not be kept in safe deposit. This approach has been found

to attract attention, and if the prospect expresses interest in the service he is told the reasons why the practice is bad.

However, this is not a sales trick, for the agency has found from long experience that hardships may result. The first and most pressing situation in the life of a policyholder is when he attempts to get a policy loan when his policy is in a sealed safe deposit box. The company must have the policy before a loan can be made and there is no way to get around this rule.

Bank failures undoubtedly have tied up many thousands of life policies in the last year or so upon which loans could have been made to tide over. One man attempted to get a loan for current expenses when the bank failed and his bank account was tied up. He had to shift for money elsewhere, for the policy was in a sealed safe deposit box.

Unhandy Federal Custom

Another little known practice is that of internal revenue officers in sealing safe deposit boxes of well-to-do men who have just died, in order to check on securities, and any cash or other assets which may be found in the box, for inheritance purposes. This was done in Chicago just the other day in the case of a very prominent rich man.

Of course, in case of a life insurance

Case in St. Louis Shows Inheritance Tax Cover Needed

ST. LOUIS, Dec. 31.—Life insurance men have some excellent selling arguments in the inheritance tax claim of the state of Missouri against the heirs of the late Ehrhardt Franz of St. Louis. Not only does this case prove the absolute necessity for life insurance to provide ready funds for the payment of inheritance taxes, but it also demonstrates how sound physical estates may dwindle under the most competent management, due to general business conditions.

History of Case

The eight heirs who are defendants in the case inherited two-thirds or 188,333 1/3 shares of the estate's holdings in Burroughs Adding Machine stock. Mrs. Sophie Franz, wife of Ehrhardt Franz, died April 14, 1930, and the state is basing its tax claim on the market value of the adding machine company stock as of that date, \$48 a share, or \$9,040,000 for the entire holdings of the eight heirs.

Testimony before Federal Judge Faris in St. Louis Dec. 28 was that last week the stock had a market value of but \$12 a share or \$2,260,000 for the shares in question. This is just one-fourth of the valuation on which the state is attempting to collect taxes. The trustees of the estate asked Judge Faris for an order to restrain the state from proceeding with the tax claim. The writ was refused and the trustees then appealed to the United States circuit court of appeals, where the case is now pending.

death claim, a court order may be secured to gain possession of the policy, but this takes time. In the case of a contested estate, also, other interested parties might be able to convince the judge that he should not issue such an order but leave the life policy for the executor or administrator to handle.

The Bankers Life of Des Moines in its agency bulletin, "Onward," tells of a recent case in which a woman policyholder who owned stock in a Kokomo, Ind., bank which failed, also had her Bankers Life policy in a safe deposit box in the bank. The bank's receiver refused to open the box unless he was permitted to satisfy a 100 percent assessment on the woman's bank stock from the first bonds and deeds he could lay his hands on. The woman wanted to borrow money on her life policy for running expenses but the loan could not be completed unless she produced the policy or swore she did not know where it was.

Another situation which arises is when a company attempts to settle a death claim on a policy sealed in a box pending the simultaneous arrival of the executor and tax assessor.

Not long ago in a Chicago bank merger the bankers issued an arbitrary order at the time of the transfer that all safe deposit boxes would be closed to the box-holders for ten days. So even in times of prosperity the situation may present itself to a policyholder.

Clarence L. Ayres
President

Clariss Adams
Executive Vice-President

ESTATES ANALYSIS

THE AMERICAN LIFE INSURANCE COMPANY maintains an **ESTATES ANALYSIS DEPARTMENT** which provides Agents without cost a complete Analysis of their clients' Estates.

It also draws all necessary documents, including Trusts, Wills, Partnership Agreements, Stock Elimination Agreements, etc.

This is only one feature of the **AMERICAN plan of complete co-operation.**

AMERICAN LIFE INSURANCE COMPANY DETROIT, MICHIGAN

General Agency Opening in Chicago with an Eastern Life Insurance Company

**Chicago Agency Has Been
Established for 23 Years**

Company pays office rent, clerk hire and all incidental expenses.

Home Office Supervisor, temporarily in charge, is seeking a young man who will come into the organization with the idea of becoming General Agent for the Chicago territory within six months or a year, or sooner if it becomes evident that he is capable of handling the job satisfactorily.

All applicants will be carefully scrutinized as to character, business record, financial status. No advances. This is a very superior company and is offering a splendid opportunity to a superior man. Company's lapse rate is one of the lowest in the United States. Premium income on well seasoned business in force in the City of Chicago in excess of \$100,000.00 per year.

No consideration will be given to applicants who do not give full information in replies.

Address in confidence **U-49**, The National Underwriter.

Football Contest Results in Large November Gains

The Chicago agencies, and in fact the entire central department of the Equitable of New York, enjoyed an unusual increase in business in a football contest held in November. There was an increase of 46 percent in written business for the entire department, which is under direction of W. M. Rothaermel, superintendent of agencies. The department wrote 11,261 applications for \$49,787,386, as against 7,235 apps for \$34,024,808 in November, 1930. The increase in number of applications thus was 56 percent.

The D. C. Dickson agency of Cleveland was leader and the Sam Lustgarten agency, Chicago, led all the offices there. The Dickson agency forwarded twice as many applications and double the volume of any two previous months in its history.

Sale of Annuities Urged by Theodore M. Rieble

(CONT'D FROM PRECEDING PAGE)

financially independent in ten years. I know, because I've done it.

"Finally, never forget the phrase: 'What do you want your investments to do for you?' In the final analysis, every man wants his investments to serve him surely and well in case of business reverses, disability, old age, and premature death. Life insurance offers the most in these four emergencies. Annuities are financial poetry—rhythmical finance."

Would Halt Ridicule

R. G. Richards, agency secretary of the Atlantic Life, who is chairman of the frontier safety committee of the Insurance Advertising Conference, is calling on agents and other insurance men throughout the country to advise him of anything which appears in newspapers, magazines, movies or radio programs unfriendly to or ridiculing the insurance business and insurance agents. He asks insurance people to watch for such allusions, particularly in humorous articles and in cartoons. "They are intended," he said, "to be funny, but holding insurance or its salesmen up to ridicule hurts the business and makes the task of the field men so much more difficult."

Mr. Richards also asks to be informed about any articles commendatory of insurance, so that appreciation may be expressed to the editor.

Oppose Cuban Measure

NEW YORK, Dec. 31.—Foreign insurance companies operating in Cuba were privileged to file with the government authorities briefs in opposition to the various measures affecting their interests recently offered in the island legislature. The bills in question stipulate that government deposits must be in the form of Cuban securities exclusively, and that these be in proportion to each company's reserves on island business. The general impression, based upon late advices from Havana, is that the measures will fail of enactment.

K. C. Actuaries' Meeting

KANSAS CITY, MO., Dec. 31.—Members of the Kansas City Actuarial Association met last week to outline plans for a large meeting Feb. 3 which will be attended by employees of company actuarial and underwriting departments. Some outstanding speakers are being secured to talk on important topics.

Will Comply With Law

MADISON, WIS., Dec. 31.—By organizing the Wisconsin Benevolent Operators Association, about 100 Wisconsin mutual benefit societies prepared to comply with the state insurance laws, thus ending the controversy with the

insurance department, so far as they are concerned.

O. A. Solberg, Richland Center, was named president; R. W. Nauert, Bos-cobel, vice-president; T. J. Bergen, Prairie du Chien, treasurer; M. C. Adams and O. E. Oldenburg, Madison, and W. M. Kelley, Elroy, directors; Carl Hill, counsel, and Dr. R. T. Cooksey, consulting physician. A resolution was introduced asking the directors to gather material from mutual societies of other states in preparation for seeking favorable state legislation in 1933.

Life Insurance Day Prize

Roger B. Hull, managing director National Association of Life Underwriters, announces that A. G. Borden, second vice-president Equitable Life of New York and chairman of the life insurance day committee of the Association of Life Agency Officers, has offered two prizes of \$50 and \$15, respectively, to that local life underwriters' association which shall make, on "Life Insurance Day," the most complete and effective demonstration. Mr. Borden has asked that the jury of award consist of Judge Byron K. Elliott, manager American Life Convention; John Marshall Holcombe, Jr., manager Life Insurance Sales Research Bureau, and Mr. Hull.

Each association entering the contest must submit to the committee of award a typewritten statement of its activities, to be accompanied by such exhibits, printed material, newspaper clippings, etc., as will aid the committee in making the award.

Mutual Benefit Regional Meeting

The Mutual Benefit Life will conduct an educational conference in Kansas City Jan. 18-19 under the direction of G. F. Ream and Harold Peterson, home office field service managers. Approximately 60 general agents and supervisors from general agencies in Kansas City, Omaha, Minneapolis, Sioux Falls, S. D., Denver, Wichita and Sioux City will attend.

Form American General Life

NEW YORK, Dec. 31.—Notice of intention to incorporate a life insurance company to be known as the American General Life was published Wednesday. The main office is to be located in New York City. The notice is signed by 13 individuals but no further information is available as to the plans of the proposed company.

Surety Life Buys Building

A two-story office and shop building at 3718 Broadway, Kansas City, has been purchased by the Surety Life, according to James S. Summers, president, and part of it will be converted into home offices for the company.

Otto E. Seiler Makes Change

Otto E. Seiler, manager of the life brokerage department of Marsh & McLennan at Chicago for two years, has resigned to go with the Everts Wrenn general agency of the State Mutual there. He takes the status of a personal producer, but at the head of a unit of four specialists. Mr. Seiler has had 15 years' life insurance experience, starting at Des Moines with the Phoenix Mutual. He later became manager at Minneapolis for that company and in his ten years there made an outstanding record, establishing a reputation as an expert on business insurance. Before he entered the business he was an "All-American" halfback on the Illinois University football team in 1910. Marsh & McLennan has not yet filled the vacancy.

It is not necessary to figure or guess with the "Little Gem Life Chart." Ordinary Life Net Costs are shown at every age, 20-53, inclusive, and at 55 and 60. Order at your company club rate from The National Underwriter.